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DELTA REPORT

10-K

PRIVETERRA ACQUISITION CO

10-K - DECEMBER 31, 2023 COMPARED TO 10-K - DECEMBER 31, 2022

The following comparison report has been automatically generated

TOTAL DELTAS	9456
CHANGES	25
DELETIONS	3496
ADDITIONS	5935

REFINITIV

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

for For the fiscal year ended December 31, 2022**December 31, 2023**

OR or

☐TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to .

Commission File Number: 001-40021

AEON Biopharma, Inc.

(Exact name of registrant as specified in its charter)

Commission file number 001-40021

Priveterra Acquisition Corp

(Exact Name of Registrant as Specified in Its Charter)

Delaware		**85-3940478**
(State or Other Jurisdiction other jurisdiction of Incorporation incorporation or Organization)		(I.R.S. Employer Identification Number)

organization)

300 SE 2 (I.R.S. Employernd Street, Suite 600 Identification Number)

Fort Lauderdale, FL33011

(Address of Principal Executive Offices)

+1 754-220-9229

5 Park Plaza

Suite 1750

Irvine, CA92614

(Address of Principal Executive Offices)

(949) 354-6499

(Registrant's telephone number,including area code) number)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class		Trading Symbol(s) symbol	Name of Each Exchange on Which Registered which registered
Class A common stock, $0.0001 par value $0.0001 per share	AEON	PMGM	The Nasdaq Stock Market LLCNYSE American
Redeemable warrants, each warrant exercisable for one share ofWarrants to purchase Class A common stock at an exercise price of $11.50	AEON WS	PMGMW	The Nasdaq Stock Market LLC
Units, each consisting of one share of Class A common stock and one-third of one redeemable warrant		PMGMU	The Nasdaq Stock Market LLCNYSE American

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer" filer," "smaller reporting company," and "smaller reporting "emerging growth company" in Rule 12b-2 of the Exchange Act.(Check one):

Large accelerated filer	☐	Accelerated filer	☐
Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒(Do not check if a smaller reporting company)	Smaller reporting company	☒
		Emerging growth company	☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incen-tive-based incentive-based compensation received by any of the registrant's registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). ☐ Yes ☐ No.

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☒ ☐ No ☐ ☒

Auditor PCAOB ID Number: 100 Auditor Name: WithumSmith+Brown, PC Auditor Location: Princeton, NJ, USA

As of June 30, 2021 (what would have been the last business day of the registrant's second fiscal quarter), the The aggregate market value of the voting and non-voting common stock equity held by non-affiliates computed by reference to of the registrant, based on the closing sales price of $9.64 reported the registrant's Class A common stock on The Nasdaq Stock Market LLC on June 30, 2023, the last business day of the registrant's most recently completed second fiscal quarter, was approximately $332.6 million $14.2 million.

As of February 21, 2023, 27,600,000 March 26 2024, there were 37,788,858 of the registrant's shares of Class A common stock, $0.0001 par value $0.0001 per share, and shares of 6,900,000 Class B common stock, par value $0.0001 per share, were issued and outstanding, respectively. outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

None.Portions of the registrant's definitive Proxy Statement for its 2024 Annual Meeting of Stockholders, which the registrant intends to file pursuant to Regulation 14A with the Securities and Exchange Commission no later than 120 days after the registrant's fiscal year ended December 31, 2023, are incorporated by reference into Part III of this Annual Report on Form 10-K.

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CERTAIN TERMS

Unless otherwise stated in this Annual Report on Form 10-K (this "Annual Report"), references to:

"we," "us," "our," "company" or "our company" are to Priveterra Acquisition Corp., a Delaware corporation;

"AEON Governing Documents" are to the Fourth Amended and Restated Articles of Incorporation of AEON, as amended, and the Amended and Restated Bylaws of AEON;

"AEON Stockholders" are to the holders of AEON common stock (on an as converted basis after taking into effect the conversion of the AEON Warrants, the conversion of the shares of AEON preferred stock into AEON common stock in accordance with the AEON Governing Documents of AEON as of the Effective Time and the conversion of the AEON convertible notes into AEON common stock in accordance with the terms of such AEON convertible notes and the noteholder support agreements, and after giving effect to the issuance of AEON common stock, if any, in connection with the Subsidiary Merger) immediately prior to the Effective Time;

"AEON Warrants" are to the warrant to purchase 342,011 shares of AEON's Series B Preferred Stock, issued May 27, 2016, at an exercise price of $7.3097 per share;

"Class A Common Stock" are to the Class A Common Stock of the company, par value $0.0001;

"Class B Common Stock" are to the Class B Common Stock of the company, par value $0.0001, which is convertible into shares of Class A Common Stock on a one-for-one basis;

"Combined Company" are to the company subsequent to the Business Combination (also referred to herein as "New AEON");

"Committed Financing Agreement" are to any of those certain Interim Financing Agreements entered into between Priveterra, AEON and those certain investors on January 6, 2023, to be executed simultaneously with the Closing of the Business Combination;

"Exchange Ratio" shall have the meaning given to such term in the Business Combination Agreement;

"DGCL" are to the Delaware General Corporation Law as the same may be amended from time to time;

"common stock" are to our Class A Common Stock and our Class B Common Stock;

"directors" are to our current directors;

"Exchange Ratio" shall have the meaning given to such term in the Business Combination Agreement;

"founders shares" are to shares of Class B Common Stock initially purchased by our sponsor in a private placement prior to our initial public offering and the shares of Class A Common Stock that will be issued upon the automatic conversion of the shares of Class B Common Stock at the time of our initial business combination as described herein;

"initial stockholders" are to holders of our founder shares prior to our initial public offering;

"Interim Financing Arrangement" are to the financing arrangements contemplated by Section 5.17 of the Business Combination Agreement and any other financing arrangement that AEON and Priveterra expressly designate as an "Interim Financing Arrangement" in an agreement in writing which makes reference to the Business Combination Agreement and has been duly authorized, executed and delivered by each of AEON and Priveterra;

"Interim Financing Agreements" are to any of the definitive agreements entered into by Priveterra or AEON in connection with any Interim Financing Arrangement in connection with the Business Combination;

"*Interim Financing Investor*" are to any of those certain investors that have entered or will enter into any Interim Financing Agreements with Priveterra and AEON;

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"management" or our "management team" are to our executive officers and directors;

"Merger Consideration" are to with respect to each outstanding share of AEON common stock (on an as converted basis after taking into effect the conversion of the AEON preferred stock and the outstanding convertible notes of AEON and after giving effect to the issuance of AEON common stock, if any, in connection with the Subsidiary Merger) a number of shares of New AEON common stock equal to the Exchange Ratio (and with an aggregate value equal to $165,000,000 (minus certain holdback equity closing value) allocated to the AEON Stockholders (on an as converted basis after taking into effect the conversion of the AEON preferred stock and the outstanding convertible notes of AEON and after giving effect to the issuance of New AEON common stock, if any, in connection with the Subsidiary Merger) as set forth on the allocation schedule to the Business Combination Agreement; "New AEON" are to the Combined Company following the consummation of the Business Combination;

"New AEON common stock" are to Class A Common Stock of New AEON following the Business Combination;

"our initial public offering" or "IPO" are to our initial public offering consummated on February 11, 2021;

"private placement warrants" are to the warrants issued to our sponsor in a private placement simultaneously with the closing of our initial public offering;

"public shares" are to shares of Class A Common Stock sold as part of the units in our initial public offering (whether they were purchased in our initial public offering or thereafter in the open market);

"public stockholders" are to the holders of our public shares, including our initial stockholders and management team to the extent our initial stockholders and/or members of our management team purchase public shares, provided that each initial stockholder's and member of our management team's status as a "public stockholder" will only exist with respect to such public shares;

"representatives" are to Wells Fargo Securities, LLC and Guggenheim Securities, LLC, the representatives of the underwriters of our initial public offering;

"SEC" are to the U.S. Securities and Exchange Commission;

"sponsor" are to Priveterra Sponsor, LLC, a Delaware limited liability company;

"Sponsor Forfeiture Amount" shall have the meaning given to such term in the Sponsor Support Agreement;

"Subsidiary Rollover Option" shall have the meaning given to such term in the Business Combination Agreement.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS AND RISK FACTOR SUMMARY

Some This Annual Report on Form 10-K (this "Report") contains certain statements that are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Reform Act"). All statements other than statements of historical facts contained in this Annual Report, may constitute "forward-looking statements" for purposes including statements concerning possible or assumed future actions, business strategies, events or results of the federal securities laws. Our forward-looking statements include, but are not limited to, statements regarding our or our management team's expectations, hopes, beliefs, intentions or strategies regarding the future. In addition, operations, and any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "would" These statements involve known and similar expressions unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

In some cases, you can identify forward-looking statements but by terms such as "may," "should," "expect," "plan," "anticipate," "could," "intend," "target," "project," "contemplate," "believe," "estimate," "predict," "potential" or "continue" or the absence negative of these words does not mean that a statement is not forward-looking. Forward-looking terms or other similar expressions. The forward-looking statements in this Annual Report are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may include, for example, affect our business, financial condition and results of operations. These forward-looking statements about: speak only as of the date of this Report and are subject to a number of important factors that could cause actual results to differ materially from those in the forward-looking statements, including the risks, uncertainties and assumptions. These forward-looking statements are subject to numerous risks, including, without limitation, the following:

- our ability to select an appropriate target business or businesses;
- our ability to complete our initial business combination;
- our expectations around the performance anticipated growth rate and market opportunities of the prospective target business or businesses; AEON;
- our the ability to maintain the listing of Class A common stock and the warrants on NYSE American;
- AEON's public securities' potential liquidity and trading;
- AEON's ability to raise financing in the future;
- AEON's success in retaining or recruiting, or changes required in, our officers, key employees or directors following our initial business combination; directors;

- our officers factors relating to the business, operations and directors allocating their time to other businesses and potentially having conflicts financial performance of interest with our business or in approving our initial business combination; AEON, including:
- our the initiation, cost, timing, progress and results of research and development activities, preclinical studies or clinical trials with respect to AEON's current and potential future product candidates;
- AEON's ability to identify, develop and commercialize its main product candidate, botulinum toxin complex, ABP-450 (prabotulinumtoxinA) injection ("ABP-450");
- AEON's ability to obtain additional financing to complete our initial business combination; a Biologics License Application for therapeutic uses of ABP-450;
- our pool of prospective target businesses; AEON's ability to advance its current and potential future product candidates into, and successfully complete, preclinical studies and clinical trials;
- our AEON's ability to consummate obtain and maintain regulatory approval of its current and potential future product candidates, and any related restrictions, limitations and/or warnings in the label of an initial business combination due to the uncertainty resulting from the recent COVID-19 pandemic; approved product candidate;
- AEON's ability to obtain funding for its operations;
- AEON's ability to obtain and maintain intellectual property protection for its technologies and any of its product candidates;
- AEON's ability to successfully commercialize its current and any potential future product candidates;
- the ability rate and degree of our officers market acceptance of AEON's current and directors to generate a number of any potential business combination opportunities; future product candidates;
- our public securities' potential liquidity regulatory developments in the United States and trading; international jurisdictions;
- potential liability, lawsuits and penalties related to AEON's technologies, product candidates and current and future relationships with third parties;
- AEON's ability to attract and retain key scientific and management personnel;
- AEON's ability to effectively manage the growth of its operations;

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- AEON's ability to contract with third-party suppliers and manufacturers and their ability to perform adequately under those arrangements, particularly the Company's license and supply agreement with Daewoong Pharmaceutical Co. Ltd. (the "Daewoong Agreement");
- AEON's ability to compete effectively with existing competitors and new market entrants;
- potential effects of extensive government regulation;
- AEON's future financial performance and capital requirements;
- AEON's ability to implement and maintain effective internal controls;
- the lack impact of a market for our securities; supply chain disruptions; and
- the use impact of proceeds not held in the trust account macroeconomic developments beyond our control, such as health epidemics or available to us from interest income pandemics, macro-economic uncertainties, social unrest, hostilities, natural disasters or other catastrophic events, on the trust account balance;
- the trust account not being subject to claims of third parties; or
- our financial performance following our initial public offering. AEON's business, including its preclinical studies, clinical studies and potential future clinical trials.

The preceding list is not intended to be an exhaustive list of all of our forward-looking statements. We have based these forward-looking statements contained in this Annual Report are based on our current expectations, assumptions, estimates and beliefs concerning future developments projections. While we believe these expectations, assumptions, estimates and their potential effects on us. There can be no assurance that future developments affecting us will be those that we have anticipated. These projections are reasonable, such forward-looking statements are only predictions and involve a number of known and unknown risks and uncertainties, (some many of which are beyond our control) or control. These and other assumptions that important factors, including those discussed in this Report, may cause our actual results, performance or achievements to differ materially from any future results, performance to be materially different from those or achievements expressed or implied by these forward-looking statements. These Given these risks and uncertainties, include, but you are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements included

elsewhere in this Report are not limited to, those factors described under the heading “Risk Factors.” Should one or more guarantees of these risks or uncertainties materialize, or should any of future performance and our assumptions prove incorrect, actual results of operations, financial condition and liquidity, and the development of the industry in which we operate, may vary differ materially from the forward-looking statements included elsewhere in material respects from those projected this Report. In addition, even if our results of operations, financial condition and liquidity, and events in these the industry in which we operate, are consistent with the forward-looking statements. We statements included elsewhere in this Report, they may not be predictive of results or developments in future periods.

Any forward-looking statement that we make in this Report speaks only as of the date of such statement. Except as required by law, we do not undertake no any obligation to update or revise, or to publicly announce any update or revision to, any of the forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws. after the date of this Report. For all of our forward-looking statements, we claim the protection of the safe harbor for forward-looking statements contained in the Reform Act.

As used in this Report, unless otherwise stated or the context otherwise requires: “we,” “us,” “our,” “AEON,” the “Company,” and similar references refer to AEON Biopharma, Inc. and its subsidiaries, and “common stock” refers to our Class A common stock.

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PART I

Item 1. BusinessRISK FACTOR SUMMARY

Introduction

We are a blank check company incorporated Our business is subject to numerous risks and uncertainties, including those described in November 2020 as a Delaware corporation whose business purpose is to effect a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses, which we refer to throughout the “*Risk Factors*” section of this Annual Report as Report. You should carefully consider these risks and uncertainties when investing in our initial business combination.

While we may pursue an acquisition opportunity in any industry or sector, we intend to focus on the medical technology sector. Our management team and board (collectively referred to as the “team”) possess a synergistic combination of executive, strategic, operational, financial and transactional experience in this sector, and have demonstrated a strong track record of identifying and creating significant stockholder value at leading medical technology companies. We believe that the experience and expertise of our team will make us an attractive partner to potential target businesses, enhance our ability to complete a successful business combination and bring value to the business following our initial business combination.

Our objective is to generate attractive returns for stockholders and enhance value through both operational improvements and new initiatives to expand the target business organically and/or by strategic acquisitions. Given our team’s extensive work and business relationships within the medical technology sector, we have direct visibility into the growth prospects and developmental promise of differentiated medical technology companies. Our team has decades of experience identifying and understanding the key fundamental theses of our targeted businesses and how management teams can better execute on their stated strategies to deliver value. Our team’s past experiences provide a differentiated set of skills that other companies and SPACs may not possess. We believe that our team’s expertise, experience and network in the medical technology sector provide us with a significant advantage in identifying attractive investments and consummating an initial business combination that will be well-received in the public markets.

Company History

On December 17, 2020, the sponsor paid $25,000, or approximately $0.004 per share, to cover certain offering costs in consideration for 5,750,000 founder shares. The number of founder shares outstanding was determined based on the expectation that the total size of our initial public offering would be a maximum of 23,000,000 units if the underwriters’ over-allotment option was exercised in full, and therefore that such founder shares would represent 20% common stock. Some of the outstanding shares after our initial public offering.

On February 8, 2021, as part of an upsizing of principal risks and uncertainties include the IPO, we effected a stock split in which each issued share of Class B Common Stock that was outstanding was converted into one and two tenths shares of Class B Common Stock, resulting in an aggregate of 6,900,000 shares of Class B Common Stock issued and outstanding. The founder shares are automatically convertible into Class A Common Stock concurrently with or immediately following the consummation of our initial business combination, initially at a one-for-one ratio but subject to adjustment as set forth herein and in our amended and restated certificate of incorporation. following:

- Our management has concluded that uncertainties around our ability to raise additional capital raise substantial doubt about our ability to continue as a going concern. We will require additional financing to fund our future operations. Any failure to obtain additional capital when needed on acceptable terms, or at all, could force us to delay, limit, reduce or terminate our operations.
- Our future success currently depends entirely on the successful and timely regulatory approval and commercialization of our only product candidate, ABP-450. The development and commercialization of pharmaceutical products is subject to extensive regulation, and we may not obtain regulatory approvals for ABP-450 in any of the indications for which we plan to develop it on a timely basis or at all.
- Clinical product development involves a lengthy, expensive and uncertain process. We may incur greater costs than we anticipate or encounter substantial delays or difficulties in our clinical studies.
- Even if ABP-450 receives regulatory approval for any of our proposed indications, it may fail to achieve the broad degree of market acceptance by physicians, patients, third-party payors and others in the medical community necessary for commercial success.
- ABP-450, if approved in any currently proposed or future therapeutic indications, will face significant competition and our failure to effectively compete may prevent us from achieving significant market penetration and expansion.
- If we fail to attract and keep senior management and key scientific personnel, we may be unable to successfully develop ABP-450 in any of our proposed therapeutic indications, conduct our clinical studies and commercialize ABP-450.
- We rely on the Daewoong Agreement to provide us exclusive rights to commercialize and distribute ABP-450 in certain territories. Any termination or loss of significant rights, including exclusivity, under the Daewoong Agreement would materially and adversely affect our development or commercialization of ABP-450.
- We currently rely solely on Daewoong to manufacture ABP-450, and as such, any production or other problems with Daewoong could adversely affect us. The manufacture of biologics is complex and Daewoong may encounter difficulties in production that may impact our ability to provide supply of ABP-450 for clinical studies, our ability to obtain marketing approval, or our ability to obtain commercial supply of our products, which, if approved, could be delayed or stopped.
- Third-party claims of intellectual property infringement, misappropriation or violation, or challenges related to the invalidity or unenforceability of any issued patents we may obtain or in-license may prevent or delay our development and commercialization efforts or otherwise adversely affect our results of operations.
- Our business and products are subject to extensive government regulation.
- Legislative or regulatory healthcare reforms in the United States and other countries may make it more difficult and costly for us to obtain regulatory clearance or approval of ABP-450 and to produce, market, and distribute our products after clearance or approval is obtained.
- The price of our common stock may be volatile.
- Sales of a substantial number of our securities in the public market by our existing securityholders could cause the price of our common stock and warrants to fall.
- We will require additional capital, which additional financing may result in restrictions on our operations or substantial dilution to our stockholders, to support the growth of our business, and this capital might not be available on acceptable terms, if at all.

  On February 11, 2021, we completed our IPO of 27,600,000 units at a price of $10.00 per unit (the “units”), generating gross proceeds of $276,000,000. Each unit consists of one of share of our Class A Common Stock, par value $0.0001 per share, and one-third of one redeemable warrant. Each whole warrant entitles the holder thereof to purchase one share of Class A Common Stock at a price of $11.50 per share, subject to certain adjustments.

Simultaneously with the closing of our initial public offering, our sponsor purchased an aggregate of 5,213,333 warrants (the “private placement warrants”) at a price of $1.50 per warrant, or $7,820,000 in the aggregate. A total of $276,000,000, including $9,660,000 of the underwriters’ deferred discount, was placed in a U.S.-based trust account with Continental Stock Transfer & Trust Company, acting as trustee.

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PART I

Item 1. Business

AEON Biopharma, Inc. (“AEON”) is a biopharmaceutical company focused on developing its proprietary botulinum toxin complex, ABP-450 (prabotulinumtoxinA) injection (“ABP-450”), for debilitating medical conditions.

On February 15, 2021 December 12, 2022, we issued an unsecured convertible promissory note AEON Biopharma Sub, Inc. (formerly known as AEON Biopharma, Inc.) (“Old AEON”) and Priveterra Merger Sub, Inc., a wholly owned subsidiary of Priveterra Acquisition Corp. (“Priveterra”), a special purpose acquisition company formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization, or other similar business combination with one or more target businesses, entered into a Business Combination and Merger Agreement (the “Business Combination Agreement” or “BCA”) dated December 12, 2022 and amended April 27, 2023. Old AEON was incorporated in Delaware in February 2012 under the name Alphaeon Corporation, and changed its name to our sponsor, pursuant “AEON Biopharma, Inc.” in December 2019.

On July 21, 2023 (the “Closing Date”), the parties consummated the transactions contemplated by the BCA (collectively referred to which we may borrow up as the “Merger” or “Business Combination”) in connection with the closing of the Merger (the “Closing”). On the Closing Date, Old AEON merged with Priveterra Merger Sub, Inc., with Old AEON surviving the merger as a wholly-owned subsidiary of the Company; and the Company changed its name from “Priveterra Acquisition Corp.” to $1,500,000 from our sponsor for ongoing expenses reasonably related “AEON Biopharma, Inc.”; and Old AEON changed its name to our AEON Biopharma Sub, Inc. The post-Merger Company is referred to herein as “AEON,” or the “Company.”

Following the Closing, the Company’s common stock and warrants are listed on the NYSE American under the symbols “AEON” and “AEON WS,” respectively, and commenced trading on July 24, 2023.

Unless the context otherwise requires, references to “we”, “us”, “our” and “the Company” refer to the business and operations of AEON Biopharma, Inc. and its consolidated subsidiaries prior to the Merger (“Old AEON” or the “Predecessor”) and to AEON Biopharma, Inc. (“AEON”) following the consummation of the Merger.

Overview

We are a clinical stage biopharmaceutical company focused on developing our proprietary botulinum toxin complex, ABP-450, for debilitating medical conditions, with an initial business combination. All unpaid principal focus on the neurosciences market. We have completed a Phase 2 study of ABP-450 for the treatment of cervical dystonia and are conducting a Phase 2 study of ABP-450 for the treatment of both chronic and episodic migraine. The topline data from the episodic migraine cohort of the Phase 2 study was reported in October 2023 and the chronic migraine cohort remains ongoing. ABP-450 is the same botulinum toxin complex that is currently approved and marketed for cosmetic indications by Evolus under the convertible note will name Jeuveau. ABP-450 is manufactured by Daewoong in compliance with cGMP in a facility that has been approved by the FDA, Health Canada and EMA. We have exclusive development and distribution rights for therapeutic indications of ABP-450 in the United States, Canada, the European Union, the United Kingdom, and certain other international territories. We have built a highly experienced management team with specific experience in biopharmaceutical and botulinum toxin development and commercialization.

Botulinum toxins have proven to be due a highly versatile therapeutic biologic, with over 230 therapeutic uses documented in published scientific literature and payable nine approved therapeutic indications in full the United States. Our initial development programs for ABP-450 are directed at migraine, cervical dystonia, gastroparesis and post-traumatic stress disorder (“PTSD”). We selected these initial indications based on the earlier a comprehensive product assessment screen designed to identify indications where we believe ABP-450 can deliver significant value to patients, physicians and payors and where its clinical, regulatory and commercial characteristics suggest viability. We believe that ABP-450 has application in a broad range of (i) August 11, 2023 and (ii) the effective date of our initial business combination. Our sponsor will have the option, at any time on or prior to such maturity date, to convert any amounts outstanding under the convertible note into warrants to purchase shares of our Class A Common Stock, par value $0.0001 per share, at a conversion price of $1.50 per warrant, with each warrant entitling the holder to purchase one share of our Class A Common Stock at a price of $11.50 per share, subject to the same adjustments applicable to the private placement warrants sold concurrently with our initial public offering (“working capital warrants”). On June 28, 2021, our sponsor elected to convert $100,000 of outstanding principal under this unsecured convertible promissory note into, indications and we issued, 66,667 working capital warrants. As plan to continue to explore additional indications that satisfy our product assessment screens. The following table depicts the development status of December 31, 2021, the company had no borrowings under this unsecured convertible promissory note.

On March 25, 2021, we announced that, commencing April 1, 2021, holders of the 27,600,000 units sold in the IPO may elect to separately trade the shares of Class A Common Stock and the warrants included in the units. Those units not separated continued to trade on the Nasdaq under the symbol “PMGMU” and the shares of Class A Common Stock and warrants that were separated trade under the symbols “PMGM” and “PMGMW,” respectively.

Business Combination

Initial Business Combination

Nasdaq rules require that we must complete one or more business combinations having an aggregate fair market value of at least 80% of the value of the assets held in the trust account (excluding the deferred underwriting commissions and taxes payable on the interest earned on the trust account). We refer to this as the 80% of net assets test. If ABP-450 across our board of directors is not able to independently determine the fair market value of the target business or businesses, we will obtain an opinion from an independent investment banking firm that is a member of FINRA or from an independent accounting firm, with respect to the satisfaction of such criteria. We do not currently intend to purchase multiple businesses in unrelated industries in conjunction with our initial business combination, although there is no assurance that will be the case.

We anticipate structuring our initial business combination so that the post-transaction company in which our public stockholders own shares will own or acquire 100% of the equity interests or assets of the target business or businesses. We may, however, structure our initial business combination such that the post-transaction company owns or acquires less than 100% of such interests or assets of the target business in order to meet certain objectives of the target management team or stockholders or for other reasons, but we will only complete such business combination if the post-transaction company owns or acquires 50% or more of the outstanding voting securities of the target or otherwise acquires a controlling interest in the target sufficient for it not to be required to register as an investment company under the Investment Company Act of 1940, as amended, or the Investment Company Act. Even if the post-transaction company owns or acquires 50% or more of the voting securities of the target, our stockholders prior to the business combination may collectively own a minority interest in the post-transaction company, depending on valuations ascribed to the target and us in the business combination transaction. For example, we could pursue a transaction in which we issue a substantial number of new shares in exchange for all of the outstanding capital stock of a target. In this case, we would acquire a 100% controlling interest in the target. However, as a result of the issuance of a substantial number of new shares, our stockholders immediately prior to our initial business combination could own less than a majority of our outstanding shares subsequent to our initial business combination. If less than 100% of the equity interests or assets of a target business or businesses are owned or acquired by the post-transaction company, the portion of such business or businesses that is owned or acquired is what will be taken into account for purposes of the 80% of net assets test described above. If the business combination involves more than one target business, the 80% of net assets test will be based on the aggregate value of all of the target businesses.

In evaluating a prospective target business, we expect to conduct an extensive due diligence review, which may encompass, as applicable and among other things, meetings with members of the target's management and other employees, document reviews, interviews of customers and suppliers, inspection of facilities and a review of financial, clinical and other information about the target and its industry. We will call upon Mr. Palmisano, Mr. Malik and Mr. Grodnensky's own experience, as well as their network of relationships with chief executive officers, board members and members of executive management teams to provide specialized insights into their areas of expertise as well as leverage their operational and capital planning experience. current indications:

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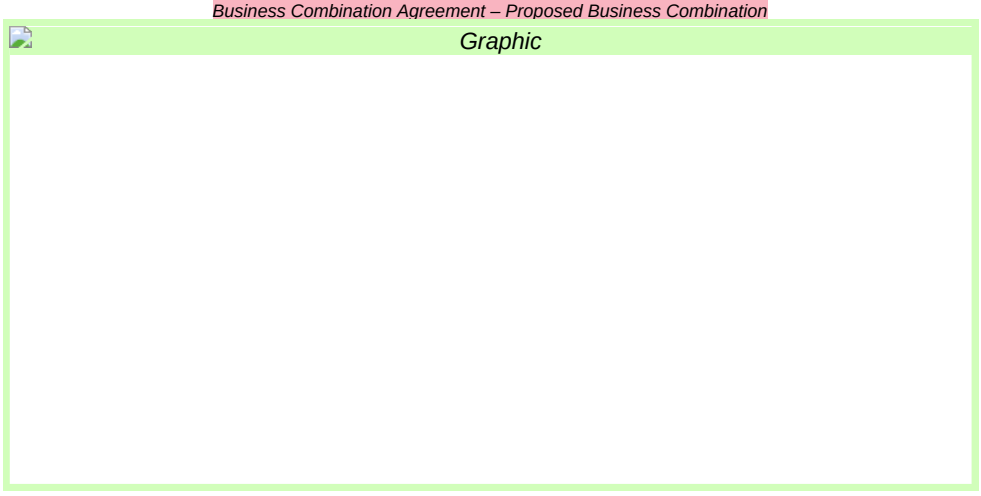
Business Combination Agreement – Proposed Business Combination

Graphic



The FDA accepted our IND application for ABP-450 as a preventative treatment for migraine in October 2020, and we began treating patients in our Phase 2 clinical study beginning in March 2021. Prior to commencing this Phase 2 study, no Phase 1 clinical studies of ABP-450 had been performed in regard to migraine by us or any other party. Nevertheless, given the extensive preclinical toxicology and other data developed by our licensing partner, Daewoong, and the aesthetic licensor of ABP-450, Evolus, the FDA permitted us to proceed directly to this Phase 2 clinical trial. We plan to enroll approximately 765 episodic and chronic migraine patients in this randomized, double-blind, placebo-controlled study across approximately 60 study sites in the United States, Canada and Australia and are continuing enrollment with AEON Biopharma, Inc. respect to chronic migraine patients. This study includes migraine patients that experience six or more migraines per month, which is inclusive of both chronic migraine patients that experience 15 or more headache days and eight or more migraines per month, as well as certain episodic migraine patients that experience less than 15 headache days and six to 14 migraines per month. Patients enrolled in the study receive two injection cycles using our patented injection protocol at a low dose of 150 units, high dose of 195 units or placebo, with patients evenly split among the three arms.

On December 12, 2022, In October 2023, we entered announced topline results from our Phase 2 clinical trial of ABP-450 for the preventive treatment of episodic migraine. The Phase 2 clinical trial for episodic migraine did not meet its primaryendpoint,thoughitdidshowstatisticalsignificanceonmultiplesecondaryandexploratoryendpoints, including the percentage of patients achieving a reduction from baseline of at least 50% in monthly migraine days and 75% in monthly migraine days during the weeks 21 to 24 of the treatment period and improvements on certain patient and rating scales. ABP-450 demonstrated a favorable safety profile for patients with episodic migraine. We believe the totality of the data provides evidence of a dose response favoring the higher 195U dose and lends support to our decision to progress ABP-450 into a business combination agreement (the "Business Combination Agreement") Phase 3 with Priveterra Merger Sub, Inc., a Delaware corporation ("Merger Sub") and AEON Biopharma, Inc., a Delaware corporation ("AEON"). The Business Combination Agreement provides, among other things, that on the terms and subject respect tomigraine.

We expect to announce an interim readout of topline data related to the conditions set forth therein, Merger Sub will merge chronic cohort of our Phase 2 migraine study in the second quarter of 2024, with the full topline data expected to be released in the third quarter of 2024. We held an end-of-phase 2 meeting with the FDA with respect to the episodic cohort to discuss the protocol and into AEON, with AEON surviving study design for Phase 3 in the first quarter of 2024.

The FDA accepted our IND application for ABP-450 as a wholly-owned subsidiary of the company (the "Merger"). Upon the closing of the Merger (the "Closing"), the company will change its name to "AEON Biopharma, Inc." treatment for cervical dystonia in October 2020, and its ticker symbol on the Nasdaq Capital Market ("Nasdaq") is expected to change to "AEON". The date on which the Closing occurs is hereinafter referred to as the "Closing Date." The proposed business combination with AEON was announced we began treating patients in our Phase 2 clinical study beginning in April 2021. We enrolled 59 patients in this randomized, double-blind, placebo-controlled study across approximately 20 study sites in the company's Current Report on Form 8-K filed with the SEC on December 12, 2022.

The Business Combination Agreement and the transactions contemplated thereby were approved by the boards of directors of each of the company and AEON. We intend to effectuate our proposed initial business combination with AEON using a combination of cash from the proceeds of our initial public offering (and the concurrent private placement of the private placement warrants), the proceeds of the sale of our shares to private investors in connection with our initial business combination and shares issued to the stockholders of AEON, as described below.

In connection with the execution of the Business Combination Agreement, AEON and the company entered into interim financing letter agreements for an aggregate amount of $20 million (the "Letter Agreements") with certain investors (the "Investors"), the terms of which provide for the sale and issuance to the Investors of an issued security that will be exchanged or converted at the Closing into Class A Common Stock of the company at a purchase price of $7.00 per the company share. The Letter Agreements will terminate upon the earliest of (a) such date and time as the Business Combination Agreement is validly terminated, (b) upon mutual written agreement of each of the parties to the Letter Agreements, (c) at any time upon the election of the company and AEON at their sole discretion and (d) nine months from the date of the Letter Agreements if the closing of the Business Combination Agreement has not occurred.

Pursuant to the Business Combination Agreement, at the effective time of the Merger (the "Effective Time"), (i) each outstanding share of AEON common stock (on an as converted basis after taking into effect the conversion of the outstanding warrants of AEON exercisable for shares of AEON preferred stock, the conversion of the shares of AEON preferred stock into AEON common stock in accordance with the governing documents of AEON as of the Effective Time, the conversion of the outstanding convertible notes of AEON into AEON common stock in accordance with the terms of such convertible notes and after giving effect to the issuance of AEON common stock, if any, in connection with the subsidiary merger (the time on the Closing Date and immediately prior to the Merger when ABP Sub, Inc. ("ABP Sub") shall merge with and into AEON being referred to herein as the "Subsidiary Merger")) will be cancelled and converted United States. Patients enrolled into the right to receive a number study received one of shares four different injection cycles, low dose of New AEON common stock equal to 150 units, mid-dose of 250 units, high dose of 350 units or placebo, with patients evenly split among the Merger Consideration; and (ii) each outstanding AEON option (including each Subsidiary Rollover Option) will be converted into an option to purchase a number of shares of New AEON common stock equal to (A) the number of shares of AEON common stock subject to such option immediately

prior to the Effective Time, multiplied by (B) the Exchange Ratio, at an exercise price per share equal to the exercise price per share for such option as of immediately prior to the Closing divided by the Exchange Ratio. four arms.

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In addition, upon the achievement of certain clinical development milestones, certain AEON Stockholders will be entitled to receive up to 16,000,000 additional shares of New AEON common stock (the "Earnout Shares"), which will be issued as follows: (i) 1,000,000 shares of New AEON common stock, if, on or before June 30, 2025, AEON has commenced a Phase 3 clinical study for the treatment of chronic or episodic migraine; (ii) 4,000,000 shares of New AEON common stock, if, on or before November 30, 2026, AEON has received Topline data from the FDA acceptance for review Phase 2 cervical dystonia study, released in September 2022, confirmed that ABP-450 met all primary endpoints and a number of other key secondary endpoints, supporting the Biologics License Application within the meaning safety and efficacy of the rules ABP-450 in reducing signs and regulations of the FDA (the "BLA") submitted by AEON symptoms associated with cervical dystonia. ABP-450 demonstrated adverse event rates similar to, or lower than, other botulinum toxin products for the treatment of cervical dystonia; (iii) 4,000,000 shares of New AEON common stock, if, on dystonia. ABP-450 also demonstrated potential for efficacy similar to, or before June 30, 2029, AEON has received from the FDA acceptance for review of the BLA submitted by AEON better than, other botulinum toxin products for the treatment of episodic migraine, provided that cervical dystonia. We are in discussions with the FDA regarding the design of our Phase 3 study in cervical dystonia, which we expect to commence based on the availability of capital resources.

In December 2020, we initiated a preclinical gastroparesis study with 42 primates receiving multiple injections of ABP-450 across four dose ranges. The objective of this number will increase preclinical study was to 11,000,000 shares of New AEON common stock if this milestone is reached characterize the safety and toxicology prior to entering human studies. We completed this preclinical study in January 2022. Following the preclinical study, we submitted an IND to the FDA acceptance and received a letter in May 2022 confirming that the IND-opening Phase 2a clinical study may proceed. We continue to evaluate various pathways to most efficiently advance this clinical development program.

Additionally, we have an ongoing preclinical study in rats designed to provide IND supporting safety and efficacy data. ABP-450 is injected into the stellate ganglion using ultrasound guidance to assess the effect on the sympathetic nervous pathway, which may inform us whether ABP-450 has the potential for review utility across a broad portfolio of neuropsychiatric disorders, including post-traumatic stress disorder (PTSD). We may initiate other preclinical studies from time to time to evaluate the potential safety and efficacy of ABP-450 in other disorders.

We license ABP-450 from Daewoong, a South Korean pharmaceutical manufacturer, and have exclusive development and distribution rights for therapeutic indications in the United States, Canada, the European Union, the United Kingdom, and certain other international territories. Daewoong licenses the same 900 kDa botulinum toxin to Evolus for cosmetic indications, which Evolus markets and sells under the name Jeuveau in the United States and Nuceiva in Canada and the European Union. Prior to licensing the botulinum toxin complex to Evolus, Daewoong conducted a broad preclinical development program for ABP-450 that was primarily focused on safety to support any clinical indication. Subsequently, Evolus completed a comprehensive clinical development program of the BLA submitted by AEON same botulinum toxin complex and has received approval from regulatory authorities in the United States, the European Union and Canada to market and sell Jeuveau in the United States and Nuceiva in Canada and the European Union for the treatment temporary improvement in the appearance of chronic migraine; moderate to severe glabellar, or frown, lines in adults. Over 2,100 adult subjects with moderate to severe glabellar lines at maximum frown participated in Evolus' clinical development program, and (iv) 7,000,000 shares each of New AEON common stock if, on Evolus' Phase 3 clinical studies successfully met their respective primary safety and efficacy endpoints. While none of these preclinical or before June 30, 2028, AEON has received from clinical programs specifically contemplated any therapeutic use of ABP-450, given that the FDA acceptance for review of FDA's regulatory requirements are generally the BLA submitted by AEON same for the treatment cosmetic or therapeutic use of chronic a toxin, we believe that the positive data derived from these preclinical and clinical studies will support the clinical development and anticipated future safety labeling of ABP-450 for migraine provided, however, that if AEON has achieved the episodic migraine milestone pursuant to the proviso to the foregoing clause (iii) entitling AEON Stockholders to 11,000,000 shares of New AEON common stock, this contingent consideration will be reduced to 0 shares of New AEON common stock. Additionally, the first payment of any Earnout Shares upon the achievement of the milestones above will include, and cervical dystonia, in addition to such Earnout Shares, other indications, at all contemplated dose ranges.

We plan to pursue approval of an original Biologics License Application, or BLA, that exclusively contemplates therapeutic indications for ABP-450, which we believe could improve reimbursement amounts for ABP-450, if approved. Existing botulinum toxins, including Botox, are approved under a number single BLA for both therapeutic and cosmetic indications. As a result, other botulinum toxins are required to include the sales prices of both therapeutic and cosmetic botulinum toxin sales when calculating the shares average selling price, or ASP, that is used to determine the reimbursement

amount physicians receive for therapeutic usage. The inclusion of Class B Common Stock initially purchased by the Sponsor and the shares of Class A Common Stock issuable upon conversion thereof (the “Founder Shares”) equal to the Sponsor Forfeiture Amount in accordance with the sponsor support agreement the Sponsor entered into with the company and AEON (the “Sponsor Support Agreement”). These 16,000,000 shares of New AEON common stock are referred to as the “Contingent Consideration.” Subject to certain exceptions, if a change of control of New AEON occurs following the Closing, then any Contingent Consideration that remains unissued as of immediately prior to the consummation of such change of control will immediately become payable and certain of the former holders of shares of AEON preferred stock and AEON common stock will be entitled to receive the unissued Contingent Consideration prior to the consummation of such change of control.

The parties to the Business Combination Agreement have agreed to customary representations and warranties for transactions of this type. In addition, the parties to the Business Combination Agreement agreed to be bound by certain customary covenants for transactions of this type, including, among others, covenants with respect to the conduct of AEON, the company and their respective subsidiaries during the period between execution of the Business Combination Agreement and Closing. The representations, warranties, agreements and covenants of the parties set forth lower cosmetic sales price in the Business Combination Agreement will terminate at Closing, except calculation of ASP can cause physicians to lose money when treating patients with existing botulinum toxins and also creates a deterrent to providing payors and/or providers with rebates or other financial incentives. If we are successful in obtaining an original BLA for those covenants therapeutic indications of ABP-450, the ASP for ABP-450 would be calculated using only therapeutic sales, which we believe would facilitate consistent and agreements that, by their terms, contemplate performance after Closing, and certain representations and warranties, as noted in the Business Combination Agreement. Each of the parties favorable reimbursement to the Business Combination Agreement has agreed physicians when they choose to use its reasonable best efforts to take or cause to be taken all actions, and to do or cause to be done all things, reasonably necessary to consummate and expeditiously implement the Merger.

Under the Business Combination Agreement, the obligations of the parties to consummate the Merger are subject to the satisfaction or waiver of certain customary closing conditions of the respective parties, including, without limitation: (i) the approval and adoption of the Business Combination Agreement and the transactions contemplated thereby by the requisite vote of the company’s stockholders and AEON’s stockholders; (ii) the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, ABP-450 for therapeutic treatments, as amended; (iii) the absence of a continuing Company Material Adverse Effect or AEON Material Adverse Effect (each well as defined in the Business Combination Agreement) since the date of the Business Combination Agreement; (iv) after giving effect to the transactions contemplated by the Business Combination Agreement, the company having net tangible assets of at least $5,000,001 upon consummation of the Merger; (v) the company’s initial listing application with Nasdaq in connection with the Merger having been approved and, immediately following the Effective Time, the company having the ability to satisfy provide payors and/or providers with rebates and other financial incentives. This pricing model would be unique to us within the applicable initial current therapeutic neurotoxin market, and continuing listing requirements we believe it would allow physicians to provide treatment with ABP-450 at a more competitive or the same net price as the market leader after rebates and discounts.

We believe ABP-450 could have therapeutic applications in a broad range of Nasdaq debilitating medical conditions, and the shares of the company’s Class A Common Stock have been approved we intend to continue to leverage our product assessment screening process to identify additional indications for listing on Nasdaq, subject only to official notice of the issuance thereof; future development. Our management team possesses significant and (vi) the registration statement filed by the company in connection with the transactions contemplated by, and as required by, the Business Combination Agreement, the first draft of which was filed with the SEC on Form S-4 on December 27, 2022 (the “Registration Statement”), has become effective, no stop order has been issued by the SEC and remains in effect with respect to the Registration Statement, and no proceeding seeking such a stop order has been threatened or initiated by the SEC and remains pending. In addition, AEON’s obligation to consummate the Merger is subject to the condition that the Available Closing Cash (as defined relevant experience in the Business Combination Agreement) shall be greater than or equal botulinum toxin industry in both drug development and commercialization, and we believe they are highly qualified to $45,000,000. Because successfully develop and commercialize ABP-450 to enhance the parties’ obligations to consummate the Merger are subject to the satisfaction or waiver lives of these (and other) conditions, there is no guarantee patients that the Merger will be consummated.

The foregoing description of the Business Combination Agreement does not purport to be complete and is qualified in its entirety by the terms and conditions of the Business Combination Agreement, a copy of which was exhibited as Exhibit 2.1 to the Current suffer from debilitating medical conditions.

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Report on Form 8-K filed **Overview of the Therapeutic Botulinum Toxin Market**

Botulinum toxins are a standard treatment for a number of indications, including debilitating movement disorders, chronic migraine, overactive bladder, excessive salivating and excessive sweating, and are the first-line standard of care for the treatment of certain conditions, including cervical dystonia. The use of botulinum toxins to treat debilitating medical conditions began with the FDA approving Botox for the treatment of strabismus and blepharospasm, two eye muscle disorders, in adults, in 1989. Botox was the only FDA-approved type-A botulinum toxin until 2009 when the FDA initially approved Dysport for the treatment of cervical dystonia and glabellar lines in adults. In 2010, the FDA approved Xeomin for the treatment of cervical dystonia and blepharospasm in adults. There are currently nine unique therapeutic indications for botulinum toxins that have been approved by the company with the SEC on December 12, 2022, the terms of which are incorporated herein by reference. FDA.

The Business Combination Agreement global therapeutic botulinum toxin market is forecast to grow from $3.0 billion in 2020 to an estimated $4.4 billion in 2027, according to the Decision Resources Group Therapeutic Botulinum Toxin Market Analysis Global as of 2021. This market growth is expected to be driven primarily by growth in the number of procedures, which is expected to grow from 2.7 million in 2020 to an estimated 5.0 million in 2027, as well as multiple other factors. The global therapeutic toxin market is concentrated in the United States, which has an estimated 84% market share, while the European Union has an estimated 9% market share and Asia Pacific has an estimated 7% market share. The United States is projected to continue to be the largest market for therapeutic botulinum toxin treatment, primarily due to the greater number of approved indications, higher ASP, and greater patient and physician awareness of botulinum toxin usage. The global therapeutic toxin market also contemplates further breaks down by indication, with migraine comprising approximately 36% of the execution market share, spasticity comprising approximately 28% of various additional agreements the market share, cervical dystonia comprising approximately 17% of the market share, overactive bladder comprising approximately 6% of the market share and instruments on other indications comprising approximately 13% of the market share.

According to Decision Resources Group, Botox, Dysport and Xeomin collectively made up over 98% of the United States therapeutic market for botulinum toxins in 2021. The market leader for therapeutic botulinum toxins is Botox, which is marketed by AbbVie Inc., or before AbbVie, and had approximately 85% of the Closing, including, among others, global therapeutic market share for botulinum toxins and 95% of the sponsor support agreement, the AEON stockholder support agreements, the AEON noteholder support agreements United States therapeutic market share for botulinum toxins in 2019. The migraine indication is AbbVie's single largest toxin therapeutic indication, and the interim financing agreements, contributes to 45% of AbbVie's therapeutic toxin sales. The main approved competitors to Botox are Dysport, marketed by Ipsen Ltd., and Xeomin, marketed by Merz Pharmaceuticals, LLC, each of which have approximately 2% of the global market share for therapeutic botulinum toxin treatments.

Our Market Opportunity

We believe that the markets for our initial target indications of migraine, cervical dystonia and gastroparesis represent a significant opportunity above the current market estimates for therapeutic botulinum toxin. Taken together, we estimate that our target indications represent a total addressable market opportunity of approximately $31 billion due in large part to the significant patient population that would become accessible if ABP-450 is approved for the treatment of episodic migraine.

The largest component of our total addressable market opportunity is the preventative migraine market, which includes the treatment of chronic migraine and episodic migraine. Approximately 14.0 million patients suffer from either chronic or the form episodic migraine, of which approximately 4.1 million and 9.9 million patients suffering from chronic migraine and episodic migraine, respectively. According to the *American Migraine and Prevalence and Prevention* Study conducted from 2004 to 2009, approximately 56% of patients with migraine had ever received a medical diagnosis, which represents approximately 2.4 million patients of the approximately 4.1 million patients with chronic migraine. Based on these 2.4 million patients and a treatment protocol of four treatment cycles per year, with two vials per treatment at our anticipated list pricing of $634 per vial, we estimate that the annual market opportunity for the treatment of chronic migraine is described approximately $11.2 billion. As the episodic migraine market is less developed than chronic migraine, and because episodic migraine is less debilitating in and exhibited to (whether directly, or as an annexure or exhibit to another document exhibited to) the Current Report on Form 8-K filed by the company with the SEC on December 12, 2022, the terms of each headache and migraine days per month, we believe a lower percentage of which patients with episodic migraine will be diagnosed or treated as compared to chronic migraine. Assuming 40% of patients, or 4.0 million patients, are incorporated herein by reference.

Corporate Information

Our executive offices diagnosed with episodic migraine and are located at 300 SE 2nd Street, Suite 600, Fort Lauderdale, Florida 33301, treated using the treatment protocol above, we estimate that the annual market opportunity for the treatment of episodic migraine is approximately $18.5 billion. As of 2016, we estimate that approximately 820,000 patients, or 37% of diagnosed chronic migraine patients, and our telephone number is 754-220-9229.

We approximately 740,000 patients, or 20% of diagnosed episodic migraine patients, are an "emerging growth company," using prescription medication as defined in Section 2(a) a preventative treatment measure. Similarly, of the Securities Act of 1933, as amended (the "Securities Act"), as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). As such, we are eligible to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies" including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, reduced disclosure

obligations regarding executive compensation in our periodic reports 3.7 million diagnosed high-frequency and proxy statements, and exemptions from the requirements of holding a non-binding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. If some investors find our securities less attractive chronic migraine patients, only 1.1 million currently use prescription medication as a result, there may be a less active trading preventative treatment. We believe that the preventative migraine market for our securities will expand as patient and physician awareness and migraine diagnosis rates increase due in part to the market growth of injectable monoclonal antibody therapies that target calcitonin gene-related peptide inhibitors, or CGRPs, and the prices introduction of our securities may be more volatile.

In addition, Section 107 of the JOBS Act also provides that an "emerging growth company" can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. In other words, an "emerging growth company" can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We intend to take advantage of the benefits of this extended transition period.

We will remain an emerging growth company until the earlier of (1) the last day of the fiscal year (a) following the fifth anniversary of the completion of our initial public offering, (b) in which we have total annual gross revenue of at least $1.07 billion, or (c) in which we are deemed to be a large accelerated filer, which means the market value of our Class A Common Stock that is held by non-affiliates exceeds $700 million as of the prior June 30, and (2) the date on which we have issued more than $1.0 billion in non-convertible debt securities during the prior three-year period. References herein to "emerging growth company" will have the meaning associated with it in the JOBS Act.

Additionally, we are a "smaller reporting company" as defined in Item 10(f)(1) of Regulation S-K. Smaller reporting companies may take advantage of certain reduced disclosure obligations, including, among other things, providing only two years of audited financial statements. We will remain a smaller reporting company until the last day of the fiscal year in which (1) the market value of our common stock held by non-affiliates equals or exceeds $250 million as of the prior June 30th, or (2) our annual revenues equaled or exceeded $100 million during such completed fiscal year and the market value of our common stock held by non-affiliates equals to or exceeds $700 million as of the prior June 30th.

Redemption Rights for Public Stockholders upon Completion of Our Initial Business Combination

We will provide our public stockholders with the opportunity to redeem all or a portion of their shares of Class A Common Stock upon the completion of our initial business combination at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the trust account calculated as of two business days prior to the consummation of the initial business combination, including interest earned on the funds held in the trust account (which interest shall be net of taxes payable), divided by the number of then outstanding public shares, subject to the limitations and on the conditions described herein. The amount in the trust account is $10.00 per public share. The per share amount we will distribute to investors who properly redeem their shares will not be reduced by the deferred underwriting commissions we will pay to the underwriters. Our initial stockholders, sponsor, officers and directors have entered into a letter agreement with us, pursuant to which they have agreed to waive their redemption rights with respect to any founder shares and public shares they may hold in connection with the completion of our initial business combination. oral CGRPs.

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Manner We believe that the treatment of Conducting Redemptions cervical dystonia represents an attractive market opportunity and presents a regulatory pathway to facilitate other treatments in the broader muscle movement disorder market, which accounts for a significant percentage of the therapeutic botulinum toxin market. Based on United States census data and published clinical studies as of 2021, we estimate that there are approximately 54,000 cervical dystonia patients in the United States, of which 35,000 are currently treated. We expect the number of patients with cervical dystonia will continue to increase in the coming years. Based on a treatment protocol of three treatment cycles per year, with three vials per treatment at our anticipated list pricing of $634 per vial, we estimate that the annual market opportunity for the treatment of cervical dystonia will be approximately $360 million in our anticipated year of commercialization, if approved.

We will provide also believe that the treatment of gastroparesis represents a significant market opportunity. Based on United States census data and published clinical studies, we estimate that there are approximately 400,000 addressable gastroparesis patients in the United States, of which over 200,000 have moderate to severe symptoms and would be eligible for treatment with a botulinum toxin. Based on our public stockholders proposed treatment protocol and anticipated pricing, we estimate that the annual market opportunity for the treatment of gastroparesis is approximately $900 million. We believe the current market for treatment of gastroparesis is underestimated due to the lack of meaningful treatment options available to patients and physicians, and that diagnosis rates could increase if ABP-450 can demonstrate efficacy and safety in treating the disease.

Overview of ABP-450

ABP-450 is a 2-chain polypeptide, a heavy chain joined by a bond to a light chain. The light chain is a protease enzyme that attacks fusion proteins at the neuromuscular junction, preventing the vesicles containing acetylcholine from anchoring to the membrane and inhibiting their release. ABP-450 interferes with nerve impulses by inhibiting the release of acetylcholine into the neuromuscular junction, causing a flaccid paralysis of muscles.

The active biologic ingredient in ABP-450 is Clostridium *botulinum* toxin, type A with a complete molecular complex weight of 900 kDa. Botulinum toxin type A is an active toxin composed of a covalently bonded dimer of two complexes consisting of neurotoxin, non-toxic non-haemagglutinin protein, and haemagglutinin proteins. The active part of the botulinum toxin is the 150 kDa component, and the remaining 750 kDa of the complex is made up of accessory proteins that we believe help with the opportunity to redeem all or a function of the active portion of their public the botulinum toxin. When injected at therapeutic levels, ABP-450 blocks peripheral acetylcholine release at presynaptic cholinergic nerve terminals by cleaving SNAP-25, a protein integral to the successful docking and release of acetylcholine from vesicles situated within the nerve endings leading to denervation and relaxation of the muscle. ABP-450, if approved, will be the only therapeutic botulinum toxin with significantly similar physiochemical properties as Botox. In addition, ABP-450 will be the only therapeutic botulinum toxin that shares upon the same procedure and dilution ratios for the reconstitution of the botulinum toxin to an injectable liquid. These reconstitution procedures are not subject to intellectual property protection. We believe the similarity of the two products will facilitate physician adoption of ABP-450 more rapidly and sustainably than other botulinum toxins that compete with Botox.

Daewoong has recently constructed a facility in South Korea where it produces ABP-450 and Jeuveau, which is the same botulinum toxin complex as ABP-450. The manufacture of ABP-450 drug substance is based on the fermentation of Daewoong's C.*botulinum* cell line, followed by isolation and purification of the drug substance. Daewoong has received a United States patent for the production process. The drug substance production facility was purpose built and is in compliance with FDA and EMA cGMP requirements. We believe this facility will be sufficient to meet demand for ABP-450 for the foreseeable future.

Our Pipeline

We have three existing product candidates in our pipeline: migraine, cervical dystonia, and gastroparesis, each as discussed below. The anticipated level of financing needed for our existing pipeline candidates is highly variable and difficult to project as the design of our Phase 3 migraine studies, which is our primary cost driver, will be largely based on the data generated by our Phase 2 migraine studies. As of the date of this Report, we expect to have sufficient cash to fund our operating plan through June 2024, including $15 million of committed financing related to the issuance of certain Convertible Notes with Daewoong. For more information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources*." We are actively attempting to secure additional capital to fund our operations. However, we cannot assure you that we will be able to raise additional capital on commercially reasonable terms or at all. Any further development of ABP-450 for any indication, including the completion of our initial business combination either (i) the Phase 2 open-label extension study in connection with a stockholder meeting called to approve the initial business combination or (ii) without a stockholder vote by means of a tender offer. The decision as to whether we will seek stockholder approval of a proposed initial business combination or conduct a tender offer will be made by us, solely in our discretion, and will be based on a variety of factors such as the timing of the transaction and whether the terms of the transaction would require us to seek stockholder approval under applicable law or stock exchange listing requirements. Asset acquisitions and stock purchases would not typically require stockholder approval while direct mergers with our company where we do not survive migraine, any Phase 3 trials for migraine, and any transactions where we issue more than 20% of our outstanding common stock or seek to amend our amended and restated certificate of incorporation would additional studies in cervical dystonia, will require stockholder approval. So long as we obtain and maintain a listing for our securities on Nasdaq, we will be required to comply with Nasdaq's stockholder approval rules.

The requirement that we provide our public stockholders with the opportunity to redeem their public shares by one of the two methods listed above is contained in provisions of our amended and restated certificate of incorporation and will apply whether or not we maintain our registration under the Exchange Act or our listing on Nasdaq. Such provisions additional funding, which may be amended if approved by holders of 65% of our common stock entitled to vote thereon.

If we provide our public stockholders with the opportunity to redeem their public shares in connection with a stockholder meeting, we will:

- conduct the redemptions in conjunction with a proxy solicitation pursuant to Regulation 14A of the Exchange Act, which regulates the solicitation of proxies, and not pursuant to the tender offer rules, and
- file proxy materials with the SEC.

If we seek stockholder approval, we will complete our initial business combination only if a majority of the outstanding shares of common stock voted are voted in favor of the initial business combination. A quorum for such meeting will consist of the holders present in person or by proxy of shares of outstanding capital stock of the company representing a majority of the voting power of all outstanding shares of capital stock of the company entitled to vote at such meeting. Our initial stockholders will count towards this quorum and, pursuant to the letter agreement, our sponsor, officers and directors have agreed to vote any founder shares they hold and any public shares purchased during or after our initial public offering (including in open market and privately-negotiated transactions) in favor of our initial business combination. For purposes of seeking approval of the majority of our outstanding shares of

common stock voted, non-votes will have no effect on the approval of our initial business combination once a quorum is obtained. As a result, in addition to our initial stockholders' founder shares, we would need 10,350,001, or 37.5%, of the 27,600,000 public shares sold in our initial public offering to be voted in favor of an initial business combination in order to have our initial business combination approved (assuming all outstanding shares are voted). These quorum and voting thresholds, and the voting agreements of our initial stockholders, may make it more likely that we will consummate our initial business combination. Each public stockholder may elect to redeem its public shares irrespective of whether they vote for or against the proposed transaction or whether they were a stockholder on the record date for the stockholder meeting held to approve the proposed transaction.

If a stockholder vote is not required and we do not decide to hold a stockholder vote for business or other legal reasons, we will:

- conduct the redemptions pursuant to Rule 13e-4 and Regulation 14E of the Exchange Act, which regulate issuer tender offers, and
- file tender offer documents with the SEC prior to completing our initial business combination, which contain substantially the same financial and other information about the initial business combination and the redemption rights as is required under Regulation 14A of the Exchange Act, which regulates the solicitation of proxies.

In the event we conduct redemptions pursuant to the tender offer rules, our offer to redeem will remain open for at least 20 business days, in accordance with Rule 14e-1(a) under the Exchange Act, and we will not be permitted available to complete our initial business combination until the expiration of the tender offer period. In addition, the tender offer will be conditioned us on public stockholders not tendering more than a specified number of public shares, which number will be based on the requirement that we may not redeem reasonable terms, or at all.

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public shares*Migraine*

Migraine is a complex neurological condition characterized by recurrent episodes of headaches. Patients that suffer from migraine headaches experience symptoms including throbbing recurring pain, nausea, vomiting, dizziness and sensitivity to light, sound, touch and smell. Migraine attacks usually last between four and 72 hours. According to the*GlobalBurdenofDiseaseStudy*conducted in 2019, migraine is the second leading disability in the world. The development and course of migraine differs from patient to patient, where a subset of patients experience an amount increase in frequency over a period of months or years and may gradually evolve from low-frequency episodic migraine to high-frequency episodic migraine and then to chronic migraine.

Industry sources and published research estimate that would cause our net tangible assets approximately 15% of adults in the United States experience migraine or severe headache, which represents approximately 40 million people. An estimated 1 billion people worldwide suffer from migraines, making migraine the third most prevalent illness in the world. Using prevalence rates from various published sources, we estimate that approximately 4.0 million people in the United States suffer from chronic migraines, defined as headache occurring on 15 or more days per month and eight or more migraines per month, with migraine defined as headache lasting for four or more hours per day, and that 9.4 million people in the United States live with episodic migraine, defined as headache occurring on 15 or fewer days per month and migraine occurring from six to 14 times per month.

Migraine treatment is broadly divided into two strategies: acute and prophylactic treatment. The primary goal of acute treatment is to provide relief from the pain and associated symptoms after a migraine attack has started. The primary goal of prophylactic, or preventative, treatment is to preemptively decrease the frequency, severity and duration of future migraine attacks. A key pathway for migraine and headache pain is the trigeminovascular input from the meningeal vessels. These nerves pass through the trigeminal ganglion and synapses on second-order neurons in the trigeminocervical complex, which then project through the quintothalamic tract and, after decussating in the brain stem, form synapses with neurons in the thalamus. Disrupting pain stimulus to the trigeminocervical complex is one means of mitigating migraine headaches and botulinum toxin has pharmacological activity that can disrupt peripherical neuronal pain stimulus to the complex. Botulinum toxins are generally a third-line therapy in the prophylactic treatment of migraine patients. First- and second-line treatments to prevent migraine generally include the use of orally administered anti-epileptic, beta-blocker and tricyclic antidepressant pharmaceuticals, or the use of neuromodulation devices to stimulate the vagus nerve. Currently, the discontinuation rate for patients on existing oral preventive migraine medications is high due to poor tolerability and lack of efficacy. Migraine patients will typically progress to the third-line botulinum toxin therapy when first- and second-line therapies are not effective or not well-tolerated.

Botox is the only botulinum toxin approved by the FDA for prophylaxis of headaches in adult patients with chronic migraine and with a patented treatment protocol that designates a total dose of 155 units into 31 injection sites across seven areas of the head and neck. Botox is only approved for chronic migraine and there is no botulinum toxin approved for prevention of episodic migraine. Frequently reported adverse reactions following treatment

with Botox for migraine include eyelid ptosis, commonly known as “drooping eyelid,” neck pain and muscle weakness. Sales of Botox for chronic migraine were estimated to be less than $5,000,001. If public stockholders tender more shares than we have offered to purchase, we will withdraw $691 million in 2019, and the tender offer use of Botox for chronic migraine increased from 2018 through the first quarter of 2021, with quarterly claims ranging from between 118,000 and not complete 147,000 during this period. Such claims increased despite the initial business combination.

Upon the public announcement introduction and presence of our initial business combination, if we elect to conduct redemptions pursuant to the tender offer rules, we or our sponsor will terminate any plan established in accordance with Rule 10b5-1 to purchase shares of our Class A Common Stock in the open market, in order to comply with Rule 14e-5 under the Exchange Act.

We intend to require our public stockholders seeking to exercise their redemption rights, whether they are record holders or hold their shares in “street name,” to, at the holder’s option, either deliver their stock certificates to our transfer agent or deliver their shares to our transfer agent electronically using The Depository Trust Company’s DWAC (Deposit/Withdrawal At Custodian) system, prior to the date set forth in the proxy materials or tender offer documents, as applicable. In the case of proxy materials, multiple CGRP (calcitonin gene-related peptide)- targeting medications during this date may be up to two business days prior to the date on which the vote on the proposal to approve the initial business combination is to be held. In addition, if we conduct redemptions in connection with a stockholder vote, we intend to require a public stockholder seeking redemption of its public shares to also submit a written request for redemption to our transfer agent two business days prior to the vote in which the name of the beneficial owner of such shares is included. The proxy materials or tender offer documents, as applicable, that we will furnish to holders of our public shares in connection with our initial business combination will indicate whether we are requiring public stockholders to satisfy such delivery requirements. period. We believe that this will allow our transfer agent as of March 2022, the majority of patients with chronic migraine who elected to efficiently process any redemptions without switch treatment options chose Botox, with an estimated 65% of patients choosing Botox versus 35% choosing a CGRP. Another third-line treatment for migraine, referred to as CGRP-targeting medications, has recently been approved. CGRP is present in many organs in the need for further communication or action from body and when released around the redeeming public stockholders, which could delay redemptions nerves of the head, CGRP can cause inflammation and result in additional administrative cost. If migraines.

CGRP-targeting medications seek to block the proposed initial business combination is not approved and we continue to search for a target company, we will promptly return any certificates or shares delivered by public stockholders who elected to redeem their shares.

Our amended and restated certificate of incorporation provides that in no event will we redeem our public shares peptide itself in an amount that would cause our net tangible assets effort to be less than $5,000,001. In addition, our proposed initial business combination may impose a minimum cash requirement for: (i) cash consideration to be paid to prevent the migraine. CGRPs can target or its owners, (ii) cash treatment of both chronic and episodic migraines, unlike Botox, which is used exclusively for working capital or other general corporate purposes or (iii) treatment of chronic migraine. FDA-approved CGRPs include self-injectable monoclonal antibody formulations (Aimovig, Emgality, and Ajovy), an intravenous monoclonal antibody formulation (Vyepti) as well as oral formulations (Nurtec ODT and Qulipta). The use of CGRPs increased from 2018 through the retention second quarter of cash to satisfy other conditions. In the event the aggregate cash consideration we would be required to pay for all shares of Class A Common Stock that are validly submitted for redemption plus any amount required to satisfy cash conditions pursuant to the terms of the proposed initial business combination exceed the aggregate amount of cash available to us, we will not complete the initial business combination or redeem any shares 2022, with quarterly claims ranging from between 875 and 547,000 during this period. Such claims stabilized in connection with such initial business combination, 2020, and all shares of Class A Common Stock submitted for redemption will be Botox has returned to growth after a brief flat period we attribute to CGRP launches and COVID-19 challenges.

We are seeking to develop ABP-450 for the holders thereof. We may, however, raise funds through the issuance prevention of equity-linked securities or through loans, advances or other indebtedness migraine and are conducting a Phase 2 clinical study, which is ongoing with respect to chronic migraine, in connection with our initial business combination, including pursuant this indication. Prior to forward purchase agreements or backstop arrangements we may enter into following consummation commencing this Phase 2 study, no Phase 1 clinical studies of our initial public offering, ABP-450 had been performed in order regard to among other reasons, satisfy such net tangible assets or minimum cash requirements.

Limitation on Redemption Upon Completion of Our Initial Business Combination If We Seek Stockholder Approval

If we seek stockholder approval of our initial business combination and we do not conduct redemptions in connection with our initial business combination pursuant to the tender offer rules, our amended and restated certificate of incorporation provides that a public stockholder, together with any affiliate of such stockholder migraine by us or any other person with whom such stockholder is acting in concert or as a “group” (as defined under Section 13 of the Exchange Act), will be restricted from seeking redemption rights with respect to more than an aggregate of 15% of the shares sold in our initial public offering without our prior consent, which we refer to as the “Excess Shares”, without our prior consent. party. We believe this restriction will discourage stockholders from accumulating large blocks of shares, and subsequent attempts by such holders to use their ability to exercise their redemption rights against a proposed business combination as a means to force us or our management to purchase their shares at a significant premium to the then-current market price or on other undesirable terms. Absent this provision, a public stockholder holding more than an aggregate of 15% of the shares sold in our initial public offering could threaten to exercise its redemption rights if such holder’s shares are have not purchased by us, our sponsor or our management at a premium to the then-current market price or on other undesirable terms. By limiting our stockholders’ ability to redeem no more than 15% of the shares

sold in our initial public offering without our prior consent, we believe we will limit the ability of a small group of stockholders to unreasonably attempt to block our ability to complete our initial business combination, particularly in connection with a business combination with a target that requires as a closing condition that we have a minimum net worth or a certain amount of cash. conducted independent preclinical work for ABP-450

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Delivering Stock Certificates as a preventative treatment for migraine. ABP-450 is a similar structure to OnabotulniumtoxinA (Botox) which was FDA-approved for the prevention of chronic migraine in Connection 2010. The clinical trials for Botox involved close to 1,400 patients in two trials termed the PREEMPT trials. According to Botox, over five million Botox treatments have been used in over 850 thousand chronic migraine patients and is the top branded treatment for chronic migraine. ABP-450 has demonstrated similar results to OnabotuliniumtoxinA in other neurological conditions such as cervical dystonia and in glabellar lines (aesthetic use). Therefore, we believe ABP-450 has the potential to demonstrate a similar efficacy and safety profile as those seen with the Exercise of Redemption Rights

As described above, OnabotuliniumtoxinA with regards to prophylactic treatment for migraine. Further, there is no known physiological difference between episodic and chronic migraines, and we intend to require our public stockholders seeking to exercise their redemption rights, whether they are record holders or hold their shares in "street name," to, at the holder's option, either deliver their stock certificates to our transfer agent or deliver their shares to our transfer agent electronically using The Depository Trust Company's DWAC (Deposit/Withdrawal At Custodian) system, prior to the date set forth therefore believe a treatment that effectively addresses chronic migraine should similarly treat episodic migraine. This has been concluded in the proxy materials or tender offer documents, studies of other migraine treatments, such as applicable. In the case of proxy materials, this date may be up to two business days prior to the date on which the vote on the proposal to approve the initial business combination is to be held. In addition, if we conduct redemptions in connection with a stockholder vote, we intend to require a public stockholder seeking redemption of its public shares to also submit a written request for redemption to our transfer agent two business days prior to the vote in which the name injectable versions of the beneficial owner CGRP class of such shares is included. The proxy materials or tender offer documents, as applicable, drugs, all of which have received both episodic and chronic migraine approvals. In light of this, and the extensive preclinical toxicology and other data developed by our licensing partner, Daewoong, and the aesthetic licensor of ABP-450, Evolus, the FDA permitted us to proceed directly to this Phase 2 clinical trial.

Our Phase 2 clinical study, which remains ongoing with respect to chronic migraine, utilizes our patented injection protocol that we will furnish to holders of our public shares in connection with our initial business combination will indicate whether we are requiring public stockholders to satisfy such delivery requirements. Accordingly, a public stockholder would have up to two business days prior to the vote on the initial business combination if we distribute proxy materials, or from the time we send out our tender offer materials until the close of the tender offer period, as applicable, to submit or tender its shares if it wishes to seek to exercise its redemption rights. In the event that a stockholder fails to comply with these or any other procedures disclosed contemplates 26 injections in the proxy or tender offer materials, as applicable, its shares may not be redeemed. Given the relatively short exercise period, it is advisable for stockholders to use electronic delivery of their public shares.

There is head and neck, which would represent a nominal cost associated with the above-referenced process and the act of certificating the shares or delivering them through the DWAC system. The transfer agent will typically charge the broker submitting or tendering shares a fee of approximately $80.00 and it would be up to the broker whether or not to pass this cost on to the redeeming holder. However, this fee would be incurred regardless of whether or not we require holders seeking to exercise redemption rights to submit or tender their shares. The need to deliver shares is a requirement of exercising redemption rights regardless of the timing of when such delivery must be effectuated.

Any request to redeem such shares, once made, may be withdrawn at any time up to the date set forth decrease in the proxy materials or tender offer documents, as applicable. Furthermore, if a holder of a public share delivered its certificate in connection with an election of redemption rights and subsequently decides prior to the applicable date not to elect to exercise such rights, such holder may simply request that the transfer agent return the certificate (physically or electronically). It is anticipated that the funds to be distributed to holders of our public shares electing to redeem their shares will be distributed promptly after the completion of our initial business combination.

If our initial business combination is not approved or completed for any reason, then our public stockholders who elected to exercise their redemption rights would not be entitled to redeem their shares for the applicable pro rata share of the trust account. In such case, we will promptly return any certificates delivered by public holders who elected to redeem their shares.

If our initial proposed initial business combination is not completed, we may continue to try to complete an initial business combination with a different target until 30 months from the closing of our initial public offering.

Redemption of public shares and liquidation if no initial business combination

Our amended and restated certificate of incorporation provides that we will have only 30 months from the closing of our initial public offering to complete our initial business combination. If we are unable to complete our initial business combination within such 24-month period from the closing of our initial public offering or during any Extension Period, we will: (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem the public shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the trust account, including interest earned on the funds held in the trust account (which interest shall be net of taxes payable and up to $100,000 of interest to pay dissolution expenses), divided by the number of then outstanding public shares, which redemption will completely extinguish public stockholders' rights as stockholders (including the right to receive further liquidating distributions, if any), and (iii) as promptly as reasonably possible following such redemption, subject injections comparative to the approval current Botox label by approximately 30% and which would further represent differentiated injection locations for ABP-450 as compared to the current Botox label. Similar to the Botox chronic migraine indication, which contemplates titration up to 195 units with up to 39 injections, we are evaluating the effect of administering up to 195 units with up to 26 injections. We believe that our remaining stockholders injection protocol will show equivalent efficacy and durability to the currently approved paradigm by utilizing novel injection sites and techniques to effectively target sensory nerve pathways implicated in migraine to reduce stimuli to the trigeminal complex. Furthermore, by eliminating or changing some injection sites, it may decrease the risk of patients experiencing the most common side effects of muscle weakness in the neck and eyelid ptosis. As of February 10, 2023, the double-blind safety data for ABP-450 in the preventive treatment of patients with chronic migraine included 4 patients (out of 190 episodic migraine patients) and 2 patients (out of 128 chronic migraine patients) who experienced neck pain, and no observed instances of muscular weakness or eyelid ptosis.

We believe that our board patented injection protocol (U.S. Patent No. 11,826,405) differentiate ABP-450 from Botox as a third-line therapy for the prevention of directors, liquidate chronic migraine and dissolve, subject in each case would establish a new treatment option for the prevention of episodic migraine, thereby addressing a broader patient population. We also believe treatment with ABP-450 provides an opportunity for improved safety and tolerability of treatment as compared to our obligations under Delaware law competitors. Beyond potential mitigation of some of the risk of common adverse events associated with Botox's approved injection regimen, which include eyelid ptosis, neck pain and muscle weakness, our novel injection protocol is also designed to provide for claims simplify the administration of creditors ABP-450. We believe our proposed treatment protocol, combined with our exclusive focus on therapeutic indications and the requirements same 900 kDa property as Botox, could create a compelling pharmacoeconomic opportunity to payors, while enhancing the physician and patient treatment experience.

The FDA accepted an IND for our Phase 2 clinical study of other applicable law. There will be no redemption rights or liquidating distributions ABP-450 for the prevention of migraine in October 2020, and we began patient dosing in March 2021. We plan to enroll 765 patients into this randomized, double-blind, placebo-controlled study across approximately 60 study sites in the United States, Canada and Australia, and are continuing enrollment with respect to chronic migraine. This study includes migraine patients that experience six or more migraines per month, which is inclusive of both chronic migraine patients that experience 15 or more headache days and eight or more migraines per month, as well as certain episodic migraine patients that experience fewer than 15 headache days and between six to 14 migraines per month. Patients enrolled in the study receive two injection cycles utilizing our warrants, which will expire worthless if we fail patented injection protocol of 22 active injection sites at a low dose of 150 units and four placebo injection sites, or 26 active injection sites at a high dose of 195 units, or placebo, with patients evenly split among the three arms.

Upon enrollment into the clinical study, patients enter into an initial screening and baseline period of approximately four weeks prior to complete our receiving an initial business combination within injection cycle. A second injection cycle is administered 12 weeks after the 24-month time initial treatment, and the patient is evaluated for 16 weeks after the second treatment. All patients who remain in the clinical study may be eligible to enroll in the optional dose-blinded long-term safety study whereby patients are again randomized in a 1:1 ratio to receive either the low dose or high dose protocol for an additional 52 week period.

The primary endpoints for the clinical study are the change in mean monthly migraine days, or MMD, from the four week baseline period to weeks 21 to 24 of the treatment period and the incidence of Treatment-Emergent Adverse Events, or TEAEs, compared to placebo. The key secondary and exploratory endpoints include the percentage of patients achieving a reduction from baseline of at least 50% in MMD during any Extension Period. the weeks 21 to 24 of the treatment period, changes in use of escape medications from baseline, certain safety endpoints and other patient and rating scales. We are also assessing the overall mean change from baseline in

Our initial stockholders, sponsor, officers the number of MMD requiring migraine-specific acute treatments and directors have entered the overall mean change from baseline in moderate to severe headache hours, among other secondary efficacy assessments. The study also evaluates health-related quality of life patient reported outcomes during the study period, including patient reported impression of severity, impression of change, disability assessment, and physical function impact.

In October 2023, we announced topline results from our Phase 2 clinical trial of ABP-450 for the preventive treatment of episodic migraine. The Phase 2 clinical trial for episodic migraine did not meet the primary endpoint, though it did show statistical significance on multiple secondary and exploratory endpoints, including the percentage of patients achieving a reduction from baseline of at least 50% in monthly migraine days and 75% in monthly migraine days during the weeks 21 to 24 of the treatment period and improvements on certain patient and rating scales. ABP-450 demonstrated a favorable safety profile for patients with episodic migraine. We believe the totality of the data provides evidence of a dose response favoring the higher 195U dose and lends support to our decision to progress ABP-450 into a letter agreement with us, pursuant to which they have waived their rights to liquidating distributions from the trust account Phase 3 with respect to any founder shares they hold if migraine. In the first quarter of 2024, we fail announced the successful outcome from an end-of-Phase 2 (EOP2) meeting with the FDA that supported advancing ABP-450 (prabotulinumtoxinA) injection into a pivotal Phase 3 study.

We expect to complete announce an interim readout of topline data related to the chronic cohort of our initial business combination by August 11, 2023 or during any Extension Period. However, if our initial stockholders, sponsor or management team acquire public shares Phase 2 migraine study in or after our initial public offering, they will the second quarter of 2024, with the full topline data expected to be entitled released in the third quarter of 2024. We plan to liquidating distributions from request an end-of-phase 2 meeting with the trust account FDA with respect to such public shares if we fail the episodic cohort to complete our initial business combination within discuss the allotted 24-month time period.

Our initial stockholders, sponsor, officers protocol and directors have agreed, pursuant study design for Phase 3, and the meeting is expected to a letter agreement with us, that they will not propose any amendment to our amended and restated certificate take place in the first half of incorporation to modify 2024. The expected cost of the substance or timing of our obligation to redeem 100% of our public shares if we do not complete our initial business combination by August 11, 2023 or Phase 2 clinical study with respect to any other material provisions relating to stockholders' rights or pre-initial business combination activity, unless we provide our public stockholders with migraine is between $45.0 million and $55.0 million. The expected cost of the opportunity to redeem their public shares upon approval of any such amendment at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the trust account, including interest earned on the funds held in the trust account (which interest shall be net of taxes payable), divided by the number of then outstanding public shares. However, we may not redeem our public shares in an amount that would cause our net tangible assets to be less than $5,000,001. If this optional redemption right is exercised Phase 2 open-label extension study with respect to an excessive number of public shares such that we cannot satisfy the net tangible asset requirement, we would not proceed with the amendment or the related redemption of our public shares at such time.

We expect that all costs migraine is between $30.0 million and expenses associated with implementing our plan of dissolution, as well as payments to any creditors, will be funded from amounts remaining out $40.0 million. As of the approximately $1,000,000 date of proceeds held outside the trust account, although this Report, we cannot assure you that there will be expect to have sufficient funds for such purpose. However, if those funds are not sufficient cash to cover the costs and expenses associated with implementing fund our operating plan through June 2024, including $15 million of dissolution, committed financing related to the extent that there is any interest accrued in the trust account not required issuance of certain Convertible Notes with Daewoong. For more information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources*." We are actively attempting to pay taxes, we may request the trustee secure additional capital to release to us an additional amount of up to $100,000 of such accrued interest to pay those costs and expenses.

If we were to expend all of the net proceeds of fund our initial public offering and the sale of the private placement warrants, other than the proceeds deposited in the trust account, and without taking into account interest, if any, earned on the trust account and any tax payments or expenses for the dissolution of the trust, the per-share redemption amount received by stockholders upon our dissolution would be approximately $10.00. The proceeds deposited in the trust account could, however, become subject to the claims of our creditors which would have higher priority than the claims of our public stockholders. We cannot assure you that the actual per-share redemption amount received by stockholders will not be substantially less than $10.00. Under Section 281(b) of the DGCL, our plan of dissolution must provide for all claims against us to be paid in full or make provision for payments to be made in full, as applicable, if there are sufficient assets. These claims must be paid or provided for before we make any distribution of our remaining assets to our stockholders. While we intend to pay such amounts, if any, operations. However, we cannot assure you that we will have funds sufficient be able to pay raise additional capital on commercially reasonable terms or provide at all. Any further development of ABP-450 for all creditors' claims.

Although we will seek to have all vendors, service providers (other than our independent registered public accounting firm), prospective target businesses and other entities with which we do business execute agreements with us waiving any right, title, interest or claim of any kind in or to any monies held in indication, including the trust account for the benefit of our public stockholders, there is no guarantee that they will execute such agreements or even if they execute such agreements that they would be prevented from bringing claims against the trust account including but not limited to fraudulent

inducement, breach of fiduciary responsibility or other similar claims, as well as claims challenging the enforceability completion of the waiver, Phase 2 open-label extension study in each case in order to gain an advantage with respect to a claim against our assets, including the funds held in the trust account. If migraine and any third party refuses to execute an agreement waiving such claims to the monies held in the trust account, our management Phase 3 trials for migraine, will consider whether competitive alternatives are reasonably require additional funding, which may not be available to us on reasonable terms, or at all.

Cervical Dystonia

Cervical dystonia, also known as spasmodic torticollis, is a neurological condition characterized by involuntary muscle contractions of the neck that may present as spasms, contractions or abnormal posture. It is a chronic condition with no cure, causing significant pain and challenges to mobility due to abnormal postures, and affecting quality of life and daily activities. Botulinum toxin is the standard of care for the treatment of cervical dystonia, helping to improve pain, posture, and disability.

We believe that ABP-450's mechanism of action has the potential to provide an effective treatment for patients suffering from cervical dystonia and, with a focused clinical program, may have the potential to provide an effective treatment for certain movement disorders, and broader muscle spasticity indications and labels. Botox, Dysport and Xeomin are currently approved by the FDA, and Daxxify's supplemental BLA was accepted by the FDA for the therapeutic treatment of cervical dystonia in adult patients to reduce the severity of abnormal head and neck pain. ABP-450 has a similar 900 kDa molecular weighting to Botox, which we believe will only enter into an agreement facilitate physician adoption of ABP-450 more rapidly and sustainably than other botulinum toxins that compete with such third party if management believes therapeutic uses of Botox. We believe that such third party's engagement would this physician conversion will be enhanced by reimbursement advantages we intend to offer to payors and physicians that will differentiate the economics of using ABP-450 from Botox.

In August 2022, we completed our Phase 2 clinical study of ABP-450 for the treatment of cervical dystonia. This study enrolled 59 patients across approximately 20 sites in the best interests United States. The study patients were randomized in a 1:1:1:1 ratio across four treatment arms: a low dose 150 units of ABP-450, a medium dose 250 units of ABP-450, a high dose 350 units of ABP-450, or placebo. A treatment cycle consisted of one treatment cycle. Due to the nature of the company under disease, dosing was tailored to the circumstances. Examples individual patient based on the patient's head and neck position, localization of possible instances where we may engage pain, muscle hypertrophy, patient response, and adverse event history. The safety and efficacy of each of the four arms was evaluated over a third party that refuses maximum of 20 weeks. At the completion of the Phase 2 clinical study, all patients, irrespective of treatment group, had the option to execute receive treatment with ABP-450 by rolling over into a waiver include 52 week open-label extension study, and 51 of the engagement patients opted to do so.

The primary endpoint of the clinical study was to evaluate the safety and tolerability of the single treatment cycle of ABP-450. To do so, the study, among other things, assessed the proportion of patients who developed TEAEs during the first 20 weeks of a third party consultant whose particular expertise or skills are believed by management to be significantly superior to those of other consultants that would agree to execute a waiver or in cases where management is unable to find a service provider willing to execute a waiver. The underwriters of our initial public offering and our independent registered public accounting firm will not execute agreements with us waiving such claims to the monies held in the trust account. In addition, there is no guarantee that such entities will agree to waive any claims they may have in the future as a result of, or arising out of, any negotiations, contracts or agreements with us and will not seek recourse against the trust account for any reason. In order to protect the amounts held in the trust account, our sponsor has agreed that it will be liable to us if and to the extent any claims by a third party for services rendered or products sold to us, or a prospective target business with which we have entered into a written letter of intent, confidentiality or other similar agreement or business combination agreement, reduce the amount of funds in the trust account to single

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below treatment cycle at any of the lesser administered doses of (i) $10.00 per public share ABP-450. The secondary efficacy endpoints included evaluating (1) the mean difference of change from baseline to week four of each dosing cohort, as measured by the Total Toronto Western Spasmodic Torticollis Rating Scale, or TWSTRS, the standard scale for measuring the severity of cervical dystonia, (2) certain subscales of TWSTRS, (3) Patient Global Impression of Change, (4) Clinical Global Impression of Change, and (ii) (5) duration of effect as measured by the actual amount per public share held median time to loss of 80% peak treatment effect.

Topline data from the Phase 2 study, released in September 2022, confirmed that ABP-450 met the primary and a number of other key secondary endpoints, supporting the safety and efficacy of ABP-450 in reducing signs and symptoms associated with cervical dystonia. ABP-450 was generally safe

and well-tolerated with (1) zero discontinuations due to TEAEs, (2) low rate of treatment-related TEAEs, (1) zero dysphagia cases in the trust account as 150 unit arm and low rate of dysphagia (11%) and muscle weakness (6.7%) overall, and (4) all treatment-related TEAEs were mild to moderate in severity and transient in nature.

We believe the ABP-450 efficacy results from our Phase 2 study of are similar to those achieved by another company in the Phase 3 clinical trial it relied upon to submit a supplemental BLA application for the treatment of cervical dystonia using its toxin. ABP-450's efficacy results include: (1) TWSTRS at week four improved 14.01 points in the 150 unit arm, 11.28 points in the 250 unit arm, 9.92 points in the 350 unit arm, and 3.57 points in the placebo, showing a statistically significant change in the lower dose arms versus the placebo and clinically meaningful improvement (although not statistically significant) in all three arms; (2) Patient Global Impression of Change demonstrated statistically significant improvement in all three unit arms over the placebo; and (3) Clinical Global Impression of Change demonstrated statistically significant improvement in all three unit arms over the placebo. With respect to a few secondary endpoints, ABP-450 did not statistically separate from placebo, including in the TWSTRS pain subscale in any of the date arms, the TWSTRS severity subscale in the mid- and high-dose arms or the TWSTRS disability subscale in the high-dose arm.

The median duration of treatment effect was at least 20 weeks for all three treatment arms. We are currently preparing for end of Phase 2 meetings with FDA and EMA. At this time we cannot predict the liquidation cost of completing the trust account, if less than $10.00 per public share due development of ABP-450 for cervical dystonia. Given our current capital resources, we do not expect to reductions continue development of ABP-450 in cervical dystonia, including the commencement of any Phase 3 clinical trials, unless and until we are able to raise additional capital to support those activities.

We acknowledge that others, including regulatory agencies, may not accept or agree with our assumptions, estimates, calculations, conclusions or analyses or may interpret or weigh the importance of data differently, which could impact the value of the trust assets, less taxes payable, provided that such liability will not apply to any claims by a third party particular program or prospective target business who executed a waiver of any and all rights to the monies held in the trust account (whether approvability or not such waiver is enforceable) nor will it apply to any claims under our indemnity commercialization of the underwriters of our initial public offering against certain liabilities, including liabilities under particular product candidate or product. In addition, the Securities Act. However, information we have not asked our sponsor choose to reserve for such indemnification obligations, nor have we independently verified whether our sponsor has sufficient funds to satisfy its indemnity obligations publicly disclose regarding a particular study or clinical trial is based on what is typically extensive information, and we believe that our sponsor's only assets are securities of our company. Therefore, we cannot assure you that our sponsor would be able to satisfy those obligations. As a result, if any such claims were successfully made against the trust account, the funds available for our initial business combination and redemptions could be reduced to less than $10.00 per public share. In such event, we or others may not be able agree with what we determine is the material or otherwise appropriate information to complete include in our initial business combination, and you would receive such lesser amount per share in connection with any redemption of your public shares. None of our officers or directors will indemnify us for claims by third parties including, without limitation, claims by vendors and prospective target businesses.

In the event that the proceeds in the trust account are reduced below the lesser of (i) $10.00 per public share and (ii) the actual amount per public share held in the trust account as of the date of the liquidation of the trust account if less than $10.00 per share due to reductions in the value of the trust assets, in each case less taxes payable, and our sponsor asserts that it is unable to satisfy its indemnification obligations or that it has no indemnification obligations related to a particular claim, our independent directors would disclosure. Any information we determine whether to take legal action against our sponsor to enforce its indemnification obligations. While we currently expect that our independent directors would take legal action on our behalf against our sponsor to enforce its indemnification obligations to us, it is possible that our independent directors in exercising their business judgment may choose not to do so in any particular instance. Accordingly, we cannot assure you that due to claims of creditors the actual value of the per-share redemption price will not disclose may ultimately be less than $10.00 per share.

We will seek to reduce the possibility that our sponsor will have to indemnify the trust account due to claims of creditors by endeavoring to have all vendors, service providers (other than our independent registered public accounting firm), prospective target businesses or other entities with which we do business execute agreements with us waiving any right, title, interest or claim of any kind in or to monies held in the trust account. Our sponsor will also not be liable as to any claims under our indemnity of the underwriters of our initial public offering against certain liabilities, including liabilities under the Securities Act. We will have access to up to approximately $1,000,000 from the proceeds of our initial public offering with which to pay any such potential claims (including costs and expenses incurred in connection with our liquidation, currently estimated to be no more than approximately $100,000). In the event that we liquidate and it is subsequently determined that the reserve for claims and liabilities is insufficient, stockholders who received funds from our trust account could be liable for claims made by creditors.

Under the DGCL, stockholders may be held liable for claims by third parties against a corporation to the extent of distributions received by them in a dissolution. The pro rata portion of our trust account distributed to our public stockholders upon the redemption of our public shares in the event we do not complete our initial business combination by August 11, 2023 may be considered a liquidating distribution under Delaware law. If the corporation complies with certain procedures set forth in Section 280 of the DGCL intended to ensure that it makes reasonable provision for all claims against it, including a 60-day notice period during which any third-party claims can be brought against the corporation, a 90-day period during which the corporation may reject any claims brought, and an additional 150-day waiting period before any liquidating distributions are made to stockholders, any liability of stockholders deemed

significant with respect to future decisions, conclusions, views, activities or otherwise regarding a liquidating distribution particular product candidate or product.

Gastroparesis and other preclinical studies

Gastroparesis is limited a gastrointestinal disorder characterized by the slowing or stoppage of movement of food and liquid from the stomach to the lesser small intestine. The disease largely occurs due to neuropathy, which causes stomach muscles to stop functioning normally. The neuropathy can have various causes, including diabetes, surgery, viral infections and autoimmune disorders, though many patients suffer from idiopathic gastroparesis for which there is no known cause. Symptoms of such stockholder's pro rata share gastroparesis are chronic, with episodic exacerbations, and include vomiting, nausea, bloating, early fullness while eating meals, heartburn, and epigastric pain.

The first-line treatment for gastroparesis is the modification of a patient's diet and, for diabetic gastroparesis patients, improved glycemic control. The currently available second-line therapies for gastroparesis are characterized by medications that provide short-term relief and limited efficacy and whose labeling including significant warnings. Metoclopramide is currently the only drug approved by the FDA for the treatment of gastroparesis with limited usage due to significant side effects, including extrapyramidal effects. Metoclopramide is a prokinetic agent, which can be administered orally or by nasal spray. Approved metoclopramide medications include a black box warning that the use of the claim or medication can cause tardive dyskinesia, a serious movement disorder that is often irreversible. Other medications used for the amount distributed to the stockholder, treatment of gastroparesis can include macrolides, domperidone, erythromycin and any liability of the stockholder would be barred after the third anniversary of the dissolution.

Furthermore, if the pro rata portion of our trust account distributed to our public stockholders upon the redemption of our public shares anti-emetics. However, these medications are not approved in the event we do not complete our initial business combination by August 11, 2023, is not considered a liquidating distribution under Delaware law United States for gastroparesis. In severe cases of gastroparesis, where patient symptoms are refractory to medical therapy and diet modification, there are more invasive options such redemption distribution is deemed to be unlawful (potentially due to the imposition of legal proceedings that a party may bring or due to other circumstances that are currently unknown), then pursuant to Section 174 of the DGCL, the statute of limitations for claims of creditors could then be six years after the unlawful redemption distribution, instead of three years, as in the case gastric peroral endoscopic myotomy, surgical implantation of a liquidating distribution. If we are unable to complete our initial business combination by August 11, 2023, we will: (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem the public shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the trust account including interest earned gastric electrical stimulation device on the funds held stomach, pyloric sphincterotomy, complete or partial gastrectomy, pyloric sphincterotomy or jejunostomy. In some cases, Botox has been used on an off-label basis prior to surgery in the trust account (which interest shall be net of taxes payable patients that have failed diet and up to $100,000 of interest to pay dissolution expenses), divided by the number of then outstanding public shares, which redemption will completely extinguish public stockholders' rights as stockholders (including the right to receive further liquidating distributions, if any) and (iii) as promptly as reasonably possible following such redemption, subject to the approval of our remaining medications.

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stockholders We believe that an unmet need for the treatment of gastroparesis exists and, our board of directors, dissolve and liquidate, subject in each case to our obligations under Delaware law to provide if approved, ABP-450 could serve as an effective third-line treatment for claims of creditors and the requirements of other applicable law. Accordingly, it is our intention to redeem our public shares as soon as reasonably possible following our 24th month and, therefore, we patients that do not intend achieve effective results with first-line diet therapy and second-line medication or discontinue use of medication due to comply poor tolerability. In a research study report published in February 2017 by the International Foundation of Functional Gastrointestinal Disorders, 60% of gastroparesis patients are not satisfied with those procedures. As such, our stockholders could available treatments. There are no approved botulinum toxin therapies for the treatment of gastroparesis; however, data from several retrospective or open-label studies conducted in the United States and Europe evaluating the efficacy and safety of Botox for the treatment of gastroparesis have been published and reflect potentially be liable for any claims promising results. Other studies have also shown promising results, particularly with respect to the extent of distributions received by them (but no more) and any liability of our stockholders may extend well beyond the third anniversary of such date.

Because we will not be complying with Section 280, Section 281(b) neurotoxins delivered via endoscopic intrasphincter injection of the DGCL requires us pylorus in patients with idiopathic and diabetic gastroparesis. Certain double-blind placebo-controlled clinical studies did not display statistically significant separation between the placebo and Botox groups. We believe that the design of these studies may have contributed to adopt a plan, based on facts known to us at such time that this result; notably, these studies included less than 35 patients, included both diabetic and idiopathic patients, followed patients for

only four weeks post-treatment, and did not account for the potential therapeutic effect of injecting saline into the target site. Our future clinical studies will provide for our payment consider the design of all existing and pending claims or claims that may be potentially brought against us within the subsequent 10 years. However, because we are a blank check company, rather than an operating company, and our operations will be limited to searching for prospective target businesses to acquire, the only likely claims to arise would be from our vendors (such as lawyers, investment bankers, etc.) or prospective target businesses. As described above, pursuant to the obligation contained in our underwriting agreement, we will seek to have all vendors, service providers (other than our independent registered public accounting firm), prospective target businesses or other entities with these previous studies, which we do business execute agreements with us waiving any right, title, interest or claim of any kind in or to any monies held in the trust account. As a result of this obligation, the claims that could be made against us are significantly limited and believe will increase the likelihood that any claim that would result in any liability extending ABP-450 will show a statistically significant benefit when compared to placebo.

In December 2020, prior to filing our IND for the treatment of gastroparesis with ABP-450, we and our partner Charles River initiated a preclinical dosing study of ABP-450 related to the trust account is remote. Further, our sponsor may be liable only treatment of gastroparesis with 42 primates receiving multiple injections in and around the pyloric sphincter across four dose ranges. The dosing ranges included dosing arms of 10, 15, 20 and 25 units/kg. The study followed the subjects for a total of up to 6 months. At the extent necessary to ensure conclusion of the study, we determined that the amounts in safe and effective dosing range was between 100 units and 300 units/60 kg person. The FDA has not found, and the trust account are FDA may not reduced below (i) $10.00 per public share find, that such dosing range (or any dosing range) was or (ii) such lesser amount per public share held in the trust account as will be safe and effective. The total number of the date of the liquidation of the trust account, due to reductions in value of the trust assets, in each case net of the amount of interest withdrawn to pay taxes and will not be liable as to any claims under our indemnity of the underwriters of our initial public offering against certain liabilities, including liabilities under the Securities Act. In the event that an executed waiver is deemed animals to be unenforceable against a third party, our sponsor will used in this study is considered to be the minimum required to properly characterize the effects of ABP-450 and has been designed such that it does not be responsible require an unnecessary number of animals to accomplish its objectives. The objective of this preclinical study was to characterize the extent of any liability for such third-party claims.

If we file a bankruptcy petition or safety and toxicology prior to entering human studies. We completed this preclinical study in January 2022 and used the data to support an involuntary bankruptcy petition is filed against us that is not dismissed, the proceeds held in the trust account could be subject to applicable bankruptcy law, and may be included in our bankruptcy estate IND submission. Our IND has been accepted, and, subject to the claims availability of third parties with priority capital resources, we expect to initiate a Phase 2a clinical study in 2024 to study the safety and efficacy of injecting a therapeutic dose of ABP-450 through a standard sclerotherapy needle into the pylorus and pyloric sphincter region. Our primary endpoints will measure change in core signs and symptoms from baseline over a 12-week treatment period, as recommended by the claims of our stockholders. To the extent any bankruptcy claims deplete the trust account, FDA given that a well-defined and reliable patient reported outcome is not yet available for gastroparesis. We plan to assess idiopathic and diabetic patients in separate gastroparesis trials.

At this time we cannot assure you we will be able to return $10.00 per share to predict the cost of completing the development of ABP-450 for gastroparesis. Given our public stockholders. Additionally, if we file a bankruptcy petition or an involuntary bankruptcy petition is filed against us that is not dismissed, any distributions received by stockholders could be viewed under applicable debtor/creditor and/or bankruptcy laws as either a “preferential transfer” or a “fraudulent conveyance.” As a result, a bankruptcy court could seek to recover some or all amounts received by our stockholders. Furthermore, our board of directors may be viewed as having breached its fiduciary duty to our creditors and/or may have acted in bad faith, and thereby exposing itself and our company to claims of punitive damages, by paying public stockholders from the trust account prior to addressing the claims of creditors. We cannot assure you that claims will not be brought against us for these reasons.

Our public stockholders will be entitled to receive funds from the trust account only (i) in the event of the redemption of our public shares if current capital resources, we do not complete expect to continue development of ABP-450 in gastroparesis unless and until we are able to raise additional capital to support those activities. Additionally, we have an ongoing preclinical study in rats designed to provide IND supporting safety and efficacy data. ABP-450 is injected into the stellate ganglion using ultrasound guidance to assess the effectonthesympatheticnervouspathway,whichmayinformuswhetherABP-450hasthepotentialforutility across a broad portfolio of neuropsychiatric disorders, including post-traumatic stress disorder(PTSD). We may initiate other preclinical studies from time to time to evaluate the potential safety and efficacy of ABP-450 in other disorders.

Previous Development of our initial business combination by August 11, 2023, (ii) Botulinum Toxin

The same botulinum toxin as ABP-450 has been approved for the cosmetic treatment of moderate to severe glabellar lines in connection the United States, the European Union and Canada, and a form of the botulinum toxin has been approved for the treatment of post-stroke upper limb spasticity in South Korea. Evolus markets and sells the same botulinum toxin as ABP-450 for the cosmetic treatment of moderate to severe glabellar lines under the brand name Jeuveau in the United States and under the brand name Nuceiva in the European Union and Canada, and Daewoong markets and sells its similar botulinum toxin under the brand name Nabota in South Korea. We believe that the Daewoong and Evolus studies related to the treatment of glabellar lines are relevant to the development of ABP-450 for therapeutic indications for several reasons, including that over 2,100 adults have been injected with a stockholder vote botulinum toxin that is identical or nearly identical to amend our amended and restated certificate of incorporation to modify the substance or timing of our obligation to redeem 100% of our public shares if we do not complete our initial business combination by August 11, 2023 or with respect to

any other material provisions relating to stockholders' rights or pre-initial business combination activity or (iii) if they redeem their respective shares for cash upon the completion of our initial business combination. In no other circumstances will a stockholder have any right or interest of any kind to or ABP-450 in the trust account. context of a clinical study program, generating significant safety, efficacy and non-inferiority data in the cosmetic setting.

Daewoong Preclinical Toxicology Program

In the event we seek stockholder approval accordance with international guidelines and in connection with our initial business combination, a stockholder's voting in connection consultation with the business combination alone will FDA, Daewoong conducted a broad preclinical development program for ABP-450, including the study of dose concentrations contemplated for multiple therapeutic uses. The program included preclinical efficacy, safety, reproductive toxicity and single and repeat dose toxicity studies of ABP-450. While this program did not result in a stockholder's redeeming its shares to us specifically contemplate the use of ABP-450 for an applicable pro rata share of migraine, cervical dystonia, or gastroparesis, we believe that the trust account. Such stockholder must have also exercised its redemption rights described above. These provisions of our amended and restated certificate of incorporation, like all provisions of our amended and restated certificate of incorporation, may be amended with a stockholder vote.

Conflicts of Interest

We are not prohibited from pursuing an initial business combination with a company that is affiliated with our sponsor, executive officers or directors, or completing the business combination through a joint venture or other form of shared ownership with our sponsor, executive officers or directors. In the event we seek to complete an initial business combination with a target that is affiliated with our sponsor, executive officers or directors, we, or a committee of independent directors, would obtain an opinion from an independent investment banking firm which is a member of FINRA or a valuation or appraisal firm stating that such an initial business combination is fair to our company from a financial point of view.

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Members positive data derived from these preclinical studies will support the clinical development and anticipated future safety labeling of our management team ABP-450 for migraine and our independent directors cervical dystonia at all contemplated dose ranges. We will directly have to conduct additional toxicology studies to support the gastroparesis clinical program because it includes a new target organ.

Daewoong South Korean Clinical Development for Glabellar Lines

In South Korea, Daewoong conducted two clinical studies of Nabota, a form of the same botulinum toxin as ABP-450, to support its BLA for the cosmetic treatment of moderate to severe glabellar lines to the Korean Ministry of Food and Drug Safety, or indirectly own founder shares and/ MFDS, including one Phase 1 clinical study and one Phase 3 clinical study. Both studies were double-blind, randomized studies with an active control, Botox. Each study compared 20 units of Nabota with 20 units of Botox, injected into each of five target sites in the glabellar region of adult subjects with moderate to severe glabellar lines.

Nabota was approved by the MFDS for marketing on November 29, 2013 for the treatment of glabellar lines. The Nabota formulation, which was used in the early South Korean studies and which was commercialized by Daewoong, is slightly different than the formulation used in the studies sponsored by Evolus. The original Daewoong product was lyophilized and used a different human serum albumin that had not been approved by the FDA or private placement warrants following our initial public offering EMA. With the approval of the Evolus vacuum dried product, Jeuveau, Daewoong has harmonized its product to be the same as the Evolus product and accordingly, may have the same as the product that will be used in the clinical studies sponsored by us.

Evolus Clinical Development for Glabellar Lines

In 2014, Evolus initiated a conflict comprehensive five-study clinical development program for Jeuveau, which consists of interest the same botulinum toxin complex as ABP-450, in determining whether the United States, the European Union and Canada to meet the regulatory requirements for a particular target business is an appropriate business with which BLA in the United States, marketing authorization application, or MAA, in the European Union, and NDS, in Canada, for the cosmetic treatment of moderate to effectuate our initial business combination. Further, certain severe glabellar lines. The Evolus development program included three multicenter, randomized, double-blinded, controlled, single dose Phase 3 clinical studies and two open-label, multiple dose, long-term Phase 2 clinical studies. In each of our officers the studies related to Jeuveau for the treatment of glabellar lines, the Jeuveau treatment group showed superiority over the placebo group and, directors may have a conflict of interest with respect to evaluating a particular business combination if the retention or resignation of any such officers and directors where Botox was included as an active control, the Jeuveau treatment group was determined to

be non-inferior to Botox. Between September 2014 and August 2016, over 2,100 adult male and female subjects with moderate to severe glabellar lines at maximum frown participated in this program. Jeuveau was approved for the cosmetic treatment of moderate to severe glabellar lines by a target business as a condition to any agreement with respect to our initial business combination.

Certain of our officers and directors presently have, and any of them the FDA in the future may have additional, fiduciary or contractual obligations to another entity pursuant to which such officer or director is or will be required to present a business combination opportunity to such entity. Accordingly, if any of our officers or directors becomes aware of a business combination opportunity which is suitable for an entity to which he or she has then current fiduciary or contractual obligations, he or she will honor his or her fiduciary or contractual obligations to present such business combination opportunity to such other entity. Our amended and restated certificate of incorporation provides that we renounce our interest in any corporate opportunity offered to any director or officer unless such opportunity is expressly offered to such person solely in his or her capacity as a director or officer of the company and such opportunity is one we are legally and contractually permitted to undertake and would otherwise be reasonable for us to pursue, and to the extent the director or officer is permitted to refer that opportunity to us without violating another legal obligation. We do not believe, however, that the fiduciary duties or contractual obligations of our officers or directors will materially affect our ability to complete our initial business combination.

In addition, our sponsor and our officers and directors may sponsor or form other special purpose acquisition companies similar to ours or may pursue other business or investment ventures during the period in which we are seeking an initial business combination. Any such companies, businesses or investments may present additional conflicts of interest in pursuing an initial business combination. However, we do not believe that any such potential conflicts would materially affect our ability to complete our initial business combination.

Facilities

We currently utilize office space at 300 SE 2nd Street, Suite 600, Fort Lauderdale, Florida 33301 from our sponsor February 2019, and the members same botulinum toxin was approved under the brand name Nuceiva by Health Canada in August 2018 and by the European Commission in September 2019.

Daewoong South Korean Clinical Development for Post-Stroke Upper Limb Spasticity

Daewoong has conducted a post-stroke upper-limb spasticity Phase 3 clinical study in South Korea. It was a randomized, double-blind, multi-center, active drug controlled, Phase 3 clinical study to compare the safety and efficacy of our management team. We consider our current office space adequate up to 360 units of Nabota to Botox. Nabota was found to be non-inferior to Botox in this study. The result of this study was the basis for our current operations. registration and approval of Nabota with the MFDS for the post-stroke upper limb spasticity indication in South Korea.

Employees

We currently have three executive officers: Robert Palmisano, Vikram Malik and Oleg Grodnensky. These individuals are not obligated to devote any specific number of hours to our matters but they intend to devote as much of their time as they deem necessary to our affairs until we have completed our initial business combination (including the proposed initial business combination Patients diagnosed with AEON). The amount of time they will devote in any time period will vary based on whether a target business has been selected for our initial business combination and the stage of the business combination process we are in. We do not intend to have any full time employees stroke at least six weeks prior to the completion of our initial business combination.

Item 1A. Risk Factors

An investment in our securities involves a high degree of risk. You should consider carefully all start date of the risks described below, together with study and found to be eligible based on the other information contained in this Annual Report, before making a decision screening test result were randomized to invest in our securities. If any either Nabota or Botox. Treatment consisted of intramuscular injections of up to 360 units to the wrist flexor, elbow flexor, finger flexor or thumb-in-palm; the total dose depended on the existence and severity of spasticity. In order to assess efficacy and safety after the treatment, follow-up visits were performed at four, eight and 12 weeks.

The primary endpoint compared the evaluations of the following events occur, our business, financial condition changes in muscle tension values as measured by the Modified Ashworth Scale, or MAS, scores of wrist flexors at four weeks after the injection compared to the scores before treatment. The changes in the wrist flexor MAS assessed by the investigator at four weeks after treatment compared to the baseline in the per protocol analysis group for the primary efficacy assessment were -1.44±0.72 points and operating results may be materially adversely affected. In that event, -1.46±0.77 points in the trading price of our securities could decline, Nabota and you could lose all or part of your investment.

Although we have entered into Botox group, respectively. Both groups demonstrated statistically significant decreases (p<0.0001) in muscle tension as measured on the Business Combination Agreement MAS. The difference between the Nabota and currently intend to consummate our initial business combination Botox groups was 0.0129, with AEON (as discussed in "Part I, Item 1. Business" of this Annual Report), we have not yet consummated a 95% confidence interval (-0.2062, 0.2319). Since the proposed business combination. Accordingly, many upper limit of the risks set forth below are relevant to the consummation of our proposed initial business combination with AEON, and certain risks will be relevant if, for any reason, we do not consummate our

proposed business combination with AEON and are required to seek a new target business with which to consummate our initial business combination. You should therefore carefully consider all 97.5% one-sided confidence interval of the risks described below, despite difference in changes was 0.2319, Nabota was found to be non-inferior to Botox. As a secondary endpoint, the fact that we currently intend average change in muscle tension as measured on the MAS of both groups as compared to consummate our initial business combination with AEON. baseline, when measured at week 8 and week 12, remained statistically significant at all points in time.

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Risks Relating After administration of the treatment, adverse events occurred in 19.6% of the subjects in the Nabota group and 19.4% of the subjects in the Botox group. Adverse drug reactions occurred in 3.1% of the subjects in the Nabota group and in 4.1% of the subjects in the Botox group. There was one serious adverse event, a radius fracture that occurred in the Nabota group, which was assessed as not study drug-related. Botulinum neutralizing antibody testing was conducted using mouse bio-assay, and there were no "positive" subjects found in either group. Nabota is now approved for post-stroke upper limb spasticity in South Korea.

Daewoong South Korean Clinical Development for Blepharospasm

Daewoong has conducted a blepharospasm Phase 2/3 comparator study in South Korea. It was a randomized, double-blind, multi-center, active drug controlled, Phase 3 clinical study to our Search compare the safety and efficacy of Nabota to Botox. This study was the basis for registration and Consummation approval of Nabota with the MFDS for the blepharospasm indication in South Korea. Patients diagnosed with facial spasms prior to the start date of the study and found to be eligible based on the screening test result were randomized to either Nabota or Inability Botox. Treatment consisted of intramuscular injections into the medial and lateral pretarsal orbicularis oculi of the upper lid and lateral pretarsal orbicularis oculi of the lower lid of up to Consummate, a Business Combination 46.88± 9.46 units of Nabota or 46.86± 9.46 units of Botox; the total dose depended on the severity of the spasms. In order to assess efficacy and safety after the treatment, follow-up visits were performed at four, eight and 12 weeks.

Our Strategy

Our goal is to change patients' lives by enhancing the therapeutic botulinum toxin treatment paradigm for patients suffering from debilitating conditions. To achieve this goal, we plan to:

- ***Develop and Seek Regulatory Approval for ABP-450 in Our Initial Indications.*** **Our stockholders primary focus is on the development of ABP-450 for the initial indications of migraine and cervical dystonia. We have initiated enrollment and dosing in our Phase 2 clinical study evaluating ABP-450 for the preventative treatment of migraine. In October 2023, we announced topline results from our Phase 2 clinical trial of ABP-450 for the preventive treatment of episodic migraine. We expect to announce an interim readout of topline data related to the chronic cohort of our Phase 2 migraine study in the second quarter of 2024, with full topline data to be released in the third quarter of 2024. We have completed our Phase 2 clinical study evaluating ABP-450 for the treatment of cervical dystonia and reported topline data for this clinical study in September 2022. We plan to focus our available resources on the further development of ABP-450 for migraine. As of the date of this Report, we expect to have sufficient cash to fund our operating plan through June 2024, including $15 million of committed financing related to the issuance of certain Convertible Notes with Daewoong. For more information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources*." We are actively attempting to secure additional capital to fund our operations. However, we cannot assure you that we will be able to raise additional capital on commercially reasonable terms or at all. Any further development of ABP-450 for any indication, including the completion of the Phase 2 open-label extension study in migraine, any Phase 3 trials for migraine, and any additional studies in cervical dystonia, will require additional funding, which may not be afforded available to us on reasonable terms, or at all.**

- ***PrioritizeCompletionofOurPhase2ClinicalStudyforChronicMigraine.*** **We plan to primarily focus our resources on the Phase 2 clinical study for chronic migraine as we believe migraine represents the largest market for therapeutic indication. We expect to announce an opportunity interim readout of topline data related to vote on our proposed initial business combination, and even if we hold a vote, holders the chronic cohort of our founder shares will participate Phase 2 migraine study in such vote, which means we may complete our initial business combination even though the second quarter of 2024, with full topline data to be released in the third quarter of 2024 and could serve as a majority catalyst for an additional capital raise.**

- ***Expand the Field of our public stockholders Therapeutic Applications for Botulinum Toxins.*** **We believe ABP-450 can be developed to address a broad range of debilitating diseases where existing treatment options do not support such a combination.**

Although we currently intend to hold a stockholder vote to approve our proposed initial business combination with AEON (as described in "Part I, Item 1. Business" of this Annual Report), we may, in certain circumstances, choose not to hold a stockholder vote to approve another proposed initial business combination (if any) unless that business combination would require stockholder approval under applicable law or stock exchange listing requirement. For instance, Nasdaq rules currently allow us to engage in a tender offer in lieu of a stockholder meeting, but would still require us to obtain stockholder approval if we were seeking to issue more than 20% of our outstanding shares as consideration in any business combination (as is the case for our proposed initial business combination with AEON). Except for as required by applicable law or stock exchange requirement, the decision as to whether we will seek stockholder approval of a proposed business combination (including the proposed business combination with AEON) or will allow stockholders to sell their shares to us in a tender offer will be made by us, solely in our discretion, and will be based on a variety of factors, such as the timing of the transaction and whether the terms of the transaction would otherwise require us to seek stockholder approval. Even if we seek stockholder approval, the holders of our founder shares will participate in the vote on such approval. Accordingly, we may complete our initial business combination even if a majority of our public stockholders do not approve of the business combination we complete.

If we seek stockholder approval of our initial business combination, our initial stockholders and management team exist, have agreed to vote in favor of such initial business combination, regardless of how our public stockholders vote.

Our initial stockholders own 20% of our outstanding common stock. Our initial stockholders and management team also may from time to time purchase Class A Common Stock prior to our initial business combination. Our amended and restated certificate of incorporation provides that, if we seek stockholder approval of an initial business combination, such initial business combination will be approved if we receive the affirmative vote of a majority of the shares voted at such meeting, including the founder shares. As a result, in addition to our initial stockholders' founder shares, we would need 10,350,001, or 37.5%, of the 27,600,000 public shares sold in our initial public offering proven to be voted in favor of an initial business combination in order inadequate or are poorly tolerated. To identify target indications for development, we employ a rigorous portfolio screening process that evaluates strategic fit, potential commercial opportunity and clinical and regulatory development risks. We initially identified over 230 potential therapeutic uses for botulinum toxins and plan to have our initial business combination approved (assuming all outstanding shares are voted). Accordingly, if we seek stockholder approval of our initial business combination, the agreement by our initial stockholders and management team to vote in favor of our initial business combination will increase the likelihood that we will receive the requisite stockholder approval for such initial business combination.

Your only opportunity to affect the investment decision regarding a potential business combination may be limited to the exercise of your right to redeem your shares from us for cash.

At the time of your investment in us, you will not be provided with an opportunity continue to evaluate the specific merits or risks of our initial business combination. Since our board of directors may complete a business combination without seeking stockholder approval, public stockholders may not have the right or opportunity to vote on the business combination, unless we seek such stockholder vote. Accordingly, your only opportunity to affect the investment decision regarding our initial business combination may be limited to exercising your redemption rights within the period of time (which will be at least 20 business days) set forth in our tender offer documents mailed to our public stockholders in which we describe our initial business combination.

therapeutic use

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for chronic diseases where there is no approved botulinum toxin therapy. For example, we are exploring the use of ABP-450 as a potential treatment for neuropsychiatric disorders and initiated a preclinical study of ABP-450 in animal models to characterize the safety and toxicology prior to entering human studies.

- *EnhancetheEconomicsofBotulinumToxinTreatmentstoDriveValueforPayorsandPhysicians.*We plan to pursue approval of an original BLA that exclusively contemplates therapeutic indications for ABP-450. If we obtain an original BLA for therapeutic indications of ABP-450, we would have the pricing flexibility to enhance rebates to payors and/or providers to improve reimbursement coverage for therapeutic indications, which we believe will provide better access to botulinum toxin therapy to a broader population of patients. We believe this would also enable physicians to receive consistent, favorable reimbursement when they choose to use ABP-450 for their therapeutic botulinum toxin treatments.

- *Participate in the Growing Therapeutic Botulinum Toxin Market by Optimizing Value of ABP-450.* The ability global therapeutic botulinum toxin market is expected to continue to grow and we believe that we can significantly expand the market through our target indications, proposed treatment protocols and anticipated pricing. The current market leader commanded approximately 95% of the United States therapeutic market share for botulinum toxins in 2019, driven primarily by its historical investment into development programs such as chronic migraine and overactive bladder. We have exclusive development and distribution rights for therapeutic indications of ABP-450 in the United States, Canada, the European Union, the United Kingdom and certain other international territories. We plan to develop and pursue approval of ABP-450 for a variety of indications in major markets, beginning with the United States, where we intend to build a focused, specialized commercial organization to launch the product. Where appropriate outside the United States, we may use strategic collaborations and partnerships to accelerate the development and maximize the commercial potential of our public stockholders to redeem their shares for cash may make our financial condition unattractive to potential business combination targets, which may make it difficult for us to enter into a business combination with a target. programs.

Our Competitive Strengths

We may seek to enter into a business combination transaction agreement (as believe the successful pursuit of our strategy will be driven by the following competitive strengths:

- *Well-Established 900 kDa Botulinum Toxin Complex.* ABP-450 is the case with our proposed initial business combination with AEON) with minimum cash requirement same botulinum toxin complex that has been approved by regulatory authorities in the United States, the European Union, and Canada for (i) cash consideration a cosmetic indication. To receive these global approvals, Daewoong and Evolus have completed rigorous clinical development programs using Botox as an active comparator and consistently showed that ABP-450 was non-inferior to be paid Botox at doses ranging from 20 units to the target or its owners, (ii) cash for working capital or other general corporate purposes or (iii) the retention 360 units. While we have not yet demonstrated non-inferiority of cash ABP-450 to satisfy other conditions. If too many public stockholders exercise their redemption rights, we would not be able to meet such closing condition and, as a result, would not be able to proceed with the business combination. Furthermore, in no event will we redeem our public shares in an amount that would cause our net tangible assets to be less than $5,000,001. Consequently, if accepting all properly submitted redemption requests would cause our net tangible assets to be less than $5,000,001 or make us unable to satisfy a minimum cash condition as described above, we would not proceed with such redemption and the related business combination and may instead search for an alternate business combination. Prospective targets will be aware of these risks and, thus, may be reluctant to enter into a business combination transaction with us.

  The ability of our public stockholders to exercise redemption rights Botox with respect to therapeutic uses, we expect to design our studies, if successful, to demonstrate that one unit of ABP-450 will produce a large number substantially similar effect as one unit of Botox. ABP-450 has a similar 900 kDa molecular weighting to Botox, which we believe will facilitate physician adoption of ABP-450 more rapidly and sustainably than other botulinum toxins that compete with therapeutic uses of Botox. For example, Dysport and Xeomin have molecular weightings of 400 kDa and 150 kDa, respectively, and differences in molecular weightings can result in different clinical outcomes and require physicians to utilize different dilution ratios and injection techniques than they would use with Botox.

- *ABP-450 Has Potential Application Across a Broad Range of Indications.* ABP-450 is a single product candidate that we believe can produce a diverse product development platform spanning a broad spectrum of indications. We believe that our shares may not cervical dystonia program has an established regulatory pathway that, if successful, would allow us to complete the most desirable business combination or optimize our capital structure.

  At the time we enter into participate in an agreement for our initial business combination (including the Business Combination Agreement), we will not (and established market. Our migraine program, if successful, represents an important expansion of treatments available in the case of the Business Combination Agreement, did not) know how many stockholders may exercise their redemption rights, estimated $18.5 billion episodic migraine market, combined

with a streamlined injection protocol designed to enhance safety and therefore will need to structure the transaction based on our expectations as to the number of shares that will be submitted tolerability for redemption. If our initial business combination agreement requires us to use a portion of the cash in the trust account to pay the purchase price, or requires us to have a minimum amount of cash at closing (as is the case for our proposed business combination with AEON), we will need to reserve a portion of the cash in the trust account to meet such requirements, or arrange for third party financing. In addition, if a larger number of shares is submitted for redemption than we initially expected, we may need to restructure the transaction to reserve a greater portion of the cash in the trust account or arrange for third party financing. In the case of our proposed initial business combination with AEON, however, as noted above, certain of our public stockholders have entered into non-redemption agreements to help us satisfy the minimum cash condition in the Business Combination Agreement. Raising additional third party financing may involve dilutive equity issuances or the incurrence of indebtedness at higher than desirable levels. Furthermore, this dilution would increase to the extent that the anti-dilution provision of the Class B Common Stock results in the issues of shares of Class A Common Stock on a greater than one-to-one basis upon conversion of the shares of Class B Common Stock at the time of our initial business combination. In addition, the amount of the deferred underwriting commissions payable to the representatives of the underwriters will not be adjusted for any shares that are redeemed in connection with an initial business combination. The per share amount we will distribute to stockholders who properly exercise their redemption rights will not be reduced by the deferred underwriting commission and after such redemptions, the amount held in trust will continue to reflect our obligation to pay the entire deferred underwriting commissions. The above considerations may limit our ability to complete the most desirable business combination available to us or optimize our capital structure.

The ability of our public stockholders to exercise redemption rights with respect to a large number of our shares could increase the probability that our initial business combination would be unsuccessful and that you would have to wait for liquidation in order to redeem your shares. ***all indicated migraine patients. Our gastroparesis***

If our initial business combination agreement requires us to use a portion of the cash in the trust account to pay the purchase price, or requires us to have a minimum amount of cash at closing (as is the case for our proposed business combination with AEON), the probability that our initial business combination would be unsuccessful is increased. In the case of our proposed initial business combination with AEON, however, as noted above, certain of our public stockholders have entered into non-redemption agreements to help us satisfy the minimum cash condition in the Business Combination Agreement. If our initial business combination is unsuccessful, you would not receive your pro rata portion of the trust account until we liquidate the trust account. If you are in need of immediate liquidity, you could attempt to sell your shares in the open market; however, at such time our shares may trade at a discount to the pro rata amount per share in the trust account. In either situation, you may suffer a material loss on your investment or lose the benefit of funds expected in connection with your exercise of redemption rights until we liquidate or you are able to sell your shares in the open market.

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The requirement

program, if successful, would be a novel indication for botulinum toxins in a market characterized by high unmet need and low competitive intensity. We have identified six additional, undisclosed therapeutic indications that we complete intend to pursue that offer similar market opportunities.

- ***Differentiated Business Model Designed to Deliver Enhanced Value to Payors and Physicians.*** We believe our exclusive focus on developing ABP-450 for therapeutic indications provides us with a competitive advantage against current and known prospective botulinum toxin competitors. We believe this focus will enable us to pursue an original BLA dedicated to therapeutic uses of ABP-450 that, if obtained, would allow physicians to receive consistent and favorable reimbursement from payors, while also providing us with the flexibility to provide economic incentives, including rebates, to payors and/or providers. Market competitors that receive marketing approval for their botulinum toxin products have traditionally obtained an original BLA for their initial indication, with follow-on supplemental

BLAs as they expand their product labels to include cosmetic and therapeutic indications. As a consequence of that structure, the ASPs for therapeutic reimbursement are negatively affected by promotional activity associated with cosmetic pricing. If we receive an original BLA, we believe that we will not have a negative pricing influence from lower-priced cosmetic indications, which should allow us to uniquely manage our ASP in a manner that enhances value to payors and physicians.

- *ManagementTeamwithSignificantandRelevantExperienceandExpertiseintheTherapeuticUseof Botulinum Toxins.*Our management team has extensive experience in the botulinum toxin market in multiple therapeutic areas, in the development, market launch and commercialization of major medical products, in the execution and integration of business combination by August 11, 2023 may give potential target businesses leverage development transactions, and a deep understanding of the regulatory environment of the healthcare markets. Our management team also has a proven history of raising financing in support of our botulinum toxin product candidates, including raising $177 million for investment in AEON since 2019, inclusive of the $15 million related to the issuance of certain Convertible Notes with Daewoong. For more information, see discussion of the Subscription Agreement under Liquidity and Capital Resources within the Management Discussion and Analysis section of this Report.

Manufacturing

Daewoong is our sole supplier of ABP-450. Daewoong has over us 70 years of experience manufacturing pharmaceutical products and is one of the largest pharmaceutical drug companies in negotiating South Korea. Daewoong recently constructed a business combination facility in South Korea for the purposes of producing ABP-450 drug product, which was purpose-built to comply with FDA and may limit the time we have in which to conduct due diligence on potential business combination targets, in particular as we approach our dissolution deadline, which could undermine our ability to complete our initial business combination on terms that would produce value for our stockholders.

Any potential target business with which we enter into negotiations concerning a business combination EMA regulations. We believe this facility will be aware that we must complete our initial business combination by August 11, 2023. Consequently, such target business may obtain leverage over us in negotiating a business combination, knowing that if we do not complete our initial business combination with that particular target business, we may be unable sufficient to complete our initial business combination with any target business. This risk will increase as we get closer to the timeframe described above. In addition, we may have limited time to conduct due diligence and may enter into our initial business combination on terms that we would have rejected upon a more comprehensive investigation.

We may not be able to complete our initial business combination by August 11, 2023, in which case we would cease all operations except meet demand for ABP-450 for the purpose foreseeable future. The FDA conducted a cGMP and pre-approval inspection of winding up the facility from November 8 to November 17, 2017. The United Kingdom Medicines and we would redeem our public shares and liquidate.

We may not be able to find a suitable target business and complete our initial business combination by August 11, 2023. Our ability to complete our initial business combination may be negatively impacted by general market conditions, volatility Healthcare Products Regulatory Agency also completed an inspection of the manufacturing facility in the capital and debt markets and the other risks described herein. If we have not completed our initial business combination within such period, we will: (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem the public shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the trust account, including interest earned on the funds held in the trust account (which interest shall be net of taxes payable and up to $100,000 of interest to pay dissolution expenses), divided by the number of then outstanding public shares, which redemption will completely extinguish public stockholders' rights as stockholders (including the right to receive further liquidating distributions, if any), and (iii) as promptly as reasonably possible following such redemption, subject to the approval of our remaining stockholders and our board of directors, liquidate and dissolve, subject in each case, to our obligations under Delaware law to provide for claims of creditors and the requirements of other applicable law.

If we seek stockholder approval of our initial business combination, our sponsor, initial stockholders, directors, executive officers, advisors and their affiliates may elect to purchase shares or public warrants from public stockholders, which may influence a vote on a proposed business combination and reduce the public "float" of our Class A Common Stock.

If we seek stockholder approval of our initial business combination (including our proposed initial business combination with AEON) and we do not conduct redemptions February 2018 in connection with Evolus' MAA for Jeuveau. Evolus' FDA approval of Jeuveau in February 2019 included approval to manufacture Jeuveau at Daewoong's facility. A separate pre-licensure inspection may be required for any BLA we submit for any of our initial business combination pursuant product candidates and we believe that Daewoong's manufacturing facility is, and will remain, compliant with FDA and EMA cGMP requirements.

While Jeuveau and ABP-450 are both manufactured by Daewoong, both we and Evolus retain separate, independent oversight rights related to Daewoong's compliance with cGMP, standards specified by good manufacturing practice, and all other applicable regulatory guidelines and requirements. Evolus retains independent oversight and responsibility for the quality and pharmacovigilance of Jeuveau under its BLA and

related international approvals; similarly, we retain independent oversight and responsibility for the quality and pharmacovigilance of ABP-450 under our original BLA, if approved.

Daewoong manufactures the ABP-450 drug substance in a separate facility on the same campus. The manufacture of ABP-450 drug substance is based on the fermentation of Daewoong's C. botulinum cell line, followed by isolation and purification of the drug substance. Daewoong has received a United States patent for the production process.

Daewoong is a defendant in several lawsuits brought by Medytox, alleging, among other things, that Daewoong stole Medytox's botulinum toxin bacterial strain and misappropriated trade secrets of Medytox, including those used by Daewoong to manufacture ABP-450. Daewoong is also a respondent to a complaint made by Medytox and Allergan to the tender offer rules, our sponsor, initial stockholders, directors, executive officers, advisors or their affiliates may purchase shares or public warrants in privately negotiated transactions or in the open market either prior to or following the completion of our initial business combination, although they are under no obligation to do so. There is no limit on the number of shares our initial stockholders, directors, officers, advisors or their affiliates may purchase in such transactions, subject to compliance with applicable law and Nasdaq rules. However, other than as expressly stated herein, they have no current commitments, plans or intentions to engage in such transactions and have not formulated any terms or conditions for any such transactions. None of the funds in the trust account will be used to purchase shares or public warrants in such transactions. Such purchases may include a contractual acknowledgment that such stockholder, although still the record holder of our shares, is no longer the beneficial owner thereof and therefore agrees not to exercise its redemption rights.

In the event that our sponsor, initial stockholders, directors, executive officers, advisors or their affiliates purchase shares in privately negotiated transactions from public stockholders who have already elected to exercise their redemption rights, such selling stockholders would be required to revoke their prior elections to redeem their shares. The purpose of any such purchases of shares could be to vote such shares in favor of the business combination and thereby increase the likelihood of obtaining stockholder approval of the business combination or to satisfy a closing condition in an agreement with a target that requires us to have a minimum net worth or a certain amount of cash at the closing of our initial business combination (as is the case for our proposed business combination with AEON), where it appears that such requirement would otherwise not be met. The purpose of any such purchases of public warrants could be to reduce the number of public warrants outstanding or to vote such warrants on any matters submitted to the warrantholders for approval in connection with our initial business combination. Any such purchases of our securities may result in the completion of our initial business combination that may not otherwise have been possible. We expect any such purchases will be reported pursuant to Section 13 and Section 16 of the Exchange Act to the extent such purchasers are subject to such reporting requirements. United States ITC, containing

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substantially similar allegations regarding the alleged theft of Medytox's botulinum toxin bacterial strain and misappropriation of Medytox's trade secrets, which is currently on appeal to the United States Court of Appeals for the Federal Circuit. We were also a defendant in the lawsuit brought by Medytox in the United States District Court for the Central District of California asserting allegations that are substantially similar to those in the Korea Litigation. In June 2021, we settled all outstanding claims with Medytox and entered into a non-exclusive, royalty-bearing, irrevocable license that permits us to commercialize and manufacture ABP-450. See "***Risk Factors —*** *Risks Related to Our Reliance on Third Parties — A material breach by us of the terms of our license and settlement agreement with Medytox could have a material adverse effect on our business.*"

Daewoong License and Supply Agreement

On September 30, 2013, Evolus, which we then wholly owned, entered into a license and supply agreement with Daewoong, pursuant to which Daewoong agreed to manufacture and supply Jeuveau and grant Evolus an exclusive license for cosmetic indications to import, distribute, promote, market, develop, offer for sale and otherwise commercialize and exploit Jeuveau in certain territories. In addition, if such purchases are made, Evolus paid $1.0 million to Daewoong as consideration for the public "float" option to expand the exclusive license to include therapeutic indications. In September 2018, we exercised the option to obtain the therapeutic rights for the territory and remitted the option exercise price of $7.5 million directly to Daewoong.

On December 20, 2019, we entered into the Daewoong Agreement, pursuant to which Daewoong agreed to manufacture and supply ABP-450 and grant us an exclusive license for therapeutic indications to import, distribute, promote, market, develop, offer for sale, and otherwise

commercialize or exploit ABP-450 in the United States and its territories and possessions, the European Union, the United Kingdom, Canada, Australia, Russia, the Commonwealth of Independent States, and South Africa, which we refer to collectively as the "covered territories."

Daewoong has agreed to exclusively supply us with, and we have agreed to exclusively obtain from Daewoong all of our Class A Common Stock requirements of ABP-450 at agreed-upon transfer prices, with no milestone or public warrants royalty payments and no minimum purchase requirements. Daewoong is responsible for all costs related to the number manufacturing of beneficial holders ABP-450, including costs related to the operation and upkeep of its manufacturing facility, and we are responsible for all costs related to obtaining and maintaining regulatory approval, including clinical expenses, and commercialization of ABP-450. We are obligated to use commercially reasonable efforts to: (i) obtain all regulatory approvals necessary for ABP-450 to be marketed and commercialized in the covered territories for therapeutic indications and (ii) commercialize ABP-450 in the covered territories for therapeutic indications. During the term of the Daewoong Agreement, we cannot purchase, sell or distribute any injectable botulinum toxin that is launched in the covered territories after the effective date of the Daewoong Agreement other than ABP-450 in the covered territories or sell ABP-450 outside a covered territory.

Under the Daewoong Agreement, Daewoong grants us an exclusive, irrevocable, sub-licensable, assignable, fully paid-up license during the term to use Daewoong's trademarks to Nabota in our commercialization and related obligations surrounding marketing authorizations of ABP-450 for therapeutic uses in the covered territories.

The initial term of the Daewoong Agreement is from December 20, 2019 to the later of (i) the fifth anniversary of the grant of approval from the relevant governmental authority necessary to market and sell ABP-450 in the covered territories or (ii) December 20, 2029, and automatically renews for unlimited additional three-year terms thereafter, provided the Daewoong Agreement is not earlier terminated. The Daewoong Agreement will terminate upon written notice (A) by either us or Daewoong upon a continuing default that remains uncured within 90 days (or 30 days for a payment default) by the other party, or (B) immediately upon written notice if the breach is not capable of cure; (C) upon any of the following without notice: (i) our bankruptcy, insolvency or a petition for either, (ii) our assignment of our securities may be reduced, possibly making it difficult to obtain business or maintain the quotation, listing Daewoong Agreement in whole or trading in part for the benefit of creditors, (iii) appointment of a receiver over any of our securities on assets not vacated in sixty days, or (iv) filingofanyotherpetitionbaseduponourallegedbankruptcyorinsolvencynotdismissedwithin ninetydays, or (D) our failure to commercialize or conduct clinical studies related to ABP-450 for a national securities exchange.

If a stockholder fails six month period. In the event the license is terminated for either of the reasons listed in (C) or (D) of the foregoing sentence, Daewoong will have the right to receive notice buy our intellectual property and data, which represents the majority of our offer to redeem our public AEON's valuable assets, for one dollar ($1.00), which right will terminate in the event Daewoong sells more than fifty percent (50%) of its ownership (inclusive of shares received in connection with our initial business combination, or fails to comply with the procedures for tendering its shares, such shares may not be redeemed. conversion of the Convertible Notes).

We will comply with be the proxy rules or tender offer rules, as applicable, when conducting redemptions sole owner of any marketing authorization we pursue related to therapeutic indications of ABP-450 in connection with our initial business combination. Despite our compliance with these rules, if a stockholder fails to receive our proxy materials or tender offer documents, as applicable, such stockholder may not become aware covered territory. This will include ownership of the opportunity to redeem its shares. In addition, proxy materials or tender offer documents, as applicable, any BLA that we will furnish to holders of our public shares in connection with our initial business combination will describe the various procedures that must be complied with in order to validly tender or may submit public shares for redemption. For example, we intend to require our public stockholders seeking to exercise their redemption rights, whether they are record holders or hold their shares in "street name," to, at the holder's option, either deliver their stock certificates to our transfer agent, or to deliver their shares to our transfer agent electronically prior to the date set forth in the proxy materials or tender offer documents, as applicable. In the case of proxy materials, this date FDA, MAA that we may be up to two business days prior submit to the vote on the proposal EMA, NDS that we may submit to approve the initial business combination. In addition, if we conduct redemptions in connection with a stockholder vote, we intend to require a public stockholder seeking redemption of its public shares to also submit a written request for redemption to our transfer agent two business days prior to the vote in which the name of the beneficial owner of such shares is included. In the event that a stockholder fails to comply with these or Health Canada, and any other procedures disclosed approvals we receive in the proxy or tender offer materials, as applicable, its shares may not be redeemed.

You will not be entitled to protections normally afforded to investors of many other blank check companies.

Since the net proceeds of our initial public offering and the sale of the private placement warrants are intended to be used to complete an initial business combination with a target business that has not been selected, we may be deemed to be a "blank check" company under the United States securities laws. covered territory. However, because we had net tangible assets in excess of $5,000,000 upon the completion of our initial public offering and the sale of the private placement warrants and filed a Current Report on Form 8-K, including an audited balance sheet demonstrating this fact, we are exempt from rules promulgated by the SEC to protect investors in blank check companies, such as Rule 419. Accordingly, investors will not be afforded the benefits or protections of those rules. Among other things, this means our units will be

immediately tradable and we will have a longer period of time to complete our initial business combination than do companies subject to Rule 419. Moreover, if our initial public offering were subject to Rule 419, that rule would prohibit the release of any interest earned on funds held in the trust account to us unless and until the funds in the trust account were released to us in connection with our completion of an initial business combination.

If we seek stockholder approval of our initial business combination and we do not conduct redemptions pursuant to renew the tender offer rules, and if you or a "group" of stockholders are deemed to hold in excess of 15% of our Class A Common Stock, you will lose the ability to redeem all such shares in excess of 15% of our Class A Common Stock.

If we seek stockholder approval of our initial business combination and we do not conduct redemptions in connection with our initial business combination pursuant to the tender offer rules, our amended and restated certificate of incorporation provides that a public stockholder, together with any affiliate of such stockholder or any other person with whom such stockholder is acting in concert or as a "group" (as defined under Section 13 of the Exchange Act), will be restricted from seeking redemption rights with respect to Excess Shares. However, we would not be restricting our stockholders' ability to vote all of their shares (including Excess Shares) for or against our initial business combination. Your inability to redeem the Excess Shares will reduce your influence over our ability to complete our initial business combination and you could suffer a material loss on your investment in us if you sell Excess Shares in open market transactions. Additionally, you will not receive redemption distributions with respect to the Excess Shares if we complete our initial business combination. And as a result, you will continue to hold that number of shares exceeding 15% and, in order to dispose of such shares, would be required to sell your shares in open market transactions, potentially at a loss.

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Because of our limited resources and the significant competition for business combination opportunities, it may be more difficult for us to complete our initial business combination. If we are unable to complete our initial business combination, our public stockholders may receive only their pro rata portion Daewoong Agreement or upon termination of the funds in the trust account that are available for distribution Daewoong Agreement due to public stockholders, and our warrants will expire worthless.

If we do not consummate our proposed initial business combination with AEON, in identifying, evaluating and selecting another target business for our initial business combination, we may encounter competition from other entities having a business objective similar to ours, including private investors (which may be individuals or investment partnerships), other blank check companies and other entities, domestic and international, competing for the types of businesses we intend to acquire. Many of these individuals and entities are well-established and have extensive experience in identifying and effecting, directly or indirectly, acquisitions of companies operating in or providing services to various industries. Many of these competitors possess similar or greater technical, human and other resources to ours or more local industry knowledge than we do and our financial resources will be relatively limited when contrasted with those of many of these competitors. While we believe there are numerous target businesses we could potentially acquire with the net proceeds of our initial public offering and the sale of the private placement warrants, our ability to compete with respect to the acquisition of certain target businesses that are sizable will be limited breach by our available financial resources. This inherent competitive limitation gives others an advantage in pursuing the acquisition of certain target businesses. Furthermore, us, we are obligated to offer holders of transfer our public shares the right rights to redeem their shares for cash at the time of our initial business combination (including the proposed business combination with AEON) in conjunction with a stockholder vote or via a tender offer. Target companies Daewoong.

The Daewoong Agreement also provides that Daewoong will be aware that this may reduce the resources available to indemnify us for our initial business combination. Any any losses arising out of these Daewoong's willful misconduct or gross negligence in performing its obligations may place us at a competitive disadvantage in successfully negotiating a business combination, should under the proposed initial business combination with AEON not be consummated. If we are unable to complete our initial business combination, our public stockholders may receive only their pro rata portion agreement, Daewoong's breach of the funds agreement, or any allegation that ABP-450 or Daewoong's trademark infringes or misappropriates the rights of a third party, except, in the trust account that are available for distribution to public stockholders, and our warrants will expire worthless.

If the net proceeds of our initial public offering not being held in the trust account are insufficient to allow us to operate for at least the 30 months following the closing of our initial public offering, it could limit the amount available to fund our search for a target business or

businesses (if our proposed initial business combination with AEON is not consummated) and complete our initial business combination, and we will depend on loans from our sponsor or management team to fund our search and to complete our initial business combination.

Of the net proceeds of our initial public offering, only $1,000,000 will be available to us initially outside the trust account to fund our working capital requirements. We believe that the funds available to us outside of the trust account will be sufficient to allow us to operate for at least the 30 months following such closing; however, we cannot assure you that our estimate is accurate. Of the funds available to us, we could use a portion of the funds available to us to pay fees to consultants to assist us with our search for a target business. We could also use a portion of the funds as a down payment or to fund a "no-shop" provision (a provision in letters of intent or merger agreements designed to keep target businesses from "shopping" around for transactions with other companies or investors on terms more favorable to such target businesses) with respect to a particular proposed business combination, although we do not have any current intention to do so. If we entered into a letter of intent or merger agreement where we paid for the right to receive exclusivity from a target business and were subsequently required to forfeit such funds (whether each case, as a result of our willful misconduct or gross negligence. We have agreed to indemnify Daewoong for any losses arising out of our willful misconduct or gross negligence in performing our obligations under the agreement, or our breach of the agreement, except, in each case, as a result of Daewoong's willful misconduct or otherwise), we might not have sufficient funds gross negligence.

For more information associated with this and other risks, please see "*Risk Factors — Risks Related to continue searching IntellectualProperty and RisksRelatedtoOurRelianceonThirdParties*."Followingthesettlementbetween usandMedytox,onJuly29,2022,weamendedtheDaewoongAgreementandagreedtoreleaseanypotential indemnification claims associated with the Company's settlement withMedytox.

Intellectual Property

Our success depends, in large part, on our ability to obtain and maintain intellectual property protection related to our product candidate in our proposed therapeutic indications, novel methods of use, and other know-how and for or conduct due diligence with respect to, a target business.

If we are required to seek additional capital, we would need to borrow funds from our sponsor, management team or other third parties future product candidates. Our ability to operate without infringing on the proprietary or may intellectual property rights of others and to prevent others from infringing our proprietary and intellectual property rights will be forced important to liquidate. Neither our sponsor, members performance. We protect, and will continue to protect, our proprietary technology and methods by, among other methods, filing United States and foreign patent applications related to our proprietary technology, inventions, methods of use, and improvements that are important to the development and implementation of our management team nor any of their affiliates is under any obligation business as well as by maintaining trade secret protection and through other confidentiality procedures. In November 2023, the Company was issued a patent for its treatment paradigm (U.S. Patent No. 11,826,405) involving fewer injections than the current botulinum toxin treatment option for migraine. Although we own pending United States patent applications related to advance funds to us in such circumstances. Any such advances would be repaid only from funds held outside ABP-450, with the trust account or from funds released to us upon completion exception of our initial business combination. Up to $1,500,000 of treatment paradigm patent, such loans under pending applications have not issued as a unsecured promissory note may be convertible into working capital warrants at a price of $1.50 per warrant at the option of the lender On June 28, 2021, our sponsor elected to convert $100,000 of such loans into, patent, and we issued, 66,667 working capital warrants. As of December 31, 2021, the company had no borrowings outstanding under the unsecured convertible promissory note. Prior to the completion of our initial business combination, we do not expect otherwise own or in-license any issued patents in or outside the United States.

Under the Daewoong Agreement, Daewoong agreed to exclusively manufacture and supply ABP-450 to us and grant us an exclusive license for therapeutic indications to import, distribute, promote, market, develop, offer for sale and otherwise commercialize and exploit ABP-450 in the covered territories. Daewoong has a United States patent on its proprietary botulinum toxin manufacturing process for ABP-450. At this time, we own one issued patent, six pending Patent Cooperation Treaty international patent applications, no pending United States provisional patents and six pending United States nonprovisional patent applications related to ABP-450, including certain novel methods and protocols of injecting for the treatment of migraine and gastroparesis. If issued, these patents would expire in 2040. We also rely on know-how, copyright, trademarks, and trade secret laws to protect our proprietary advancements and competitive advantage. Such protection is also maintained using confidentiality agreements.

It is possible that our current pending patents, or patents which we may later acquire or license may be successfully challenged or invalidated in whole or in part. It is also possible that we may not obtain issued patents from our pending patent applications or other inventions we seek loans from parties other than to protect. Due to uncertainties inherent in prosecuting patent applications, it is possible that our sponsor pending patent applications will be rejected. It is also possible that we may develop proprietary products or technologies in the future that are not patentable or that the patents of others will limit or altogether preclude our ability to do business. In addition, any patent issued to us may provide us with little or no competitive advantage, in which case we may abandon such patent or license it to another entity. Additionally, we

own trademark applications in the United States for AEON & Design, AEON BIOPHARMA & Design and AEON BIOPHARMA, which have been refused registration at the Trademark Office on the grounds of an affiliate alleged likelihood of confusion with prior registrations for AEON and EON owed by a third party for nutritional supplements. We have filed a petition to cancel the third party marks with the U.S. Trademark Trial and Appeal Board.

In addition to our sponsor as reliance on patent protection for ABP-450 and future product candidates, we do also rely on our and our licensors' trade secrets, know-how, confidentiality agreements and continuing technological innovation to develop and maintain our competitive position. Although we take steps to protect our proprietary information and trade secrets, including through contractual means with our employees and consultants, these agreements may be breached and we may not believe have adequate remedies for any breach. In addition, third parties will be willing to loan such funds may independently develop substantially equivalent proprietary information and provide a waiver against any and all rights to seek techniques or otherwise gain access to funds in our trust account. If trade secrets or disclose our technology. As a result, we are unable may not be able to complete meaningfully protect our initial business combination because we do not have sufficient funds available to us, we will be forced to cease operations and liquidate the trust account. Consequently, our public stockholders may only receive an estimated $10.00 per share, or possibly less, on our redemption of our public shares, and our warrants will expire worthless. trade secrets. It is

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If our policy to require our employees, consultants, and other third parties bring claims against to execute confidentiality agreements upon the commencement of employment or consulting relationships with us. These agreements provide that all confidential information concerning our business or financial affairs developed or made known to the individual or entity during the course of the party's relationship with us is to be kept confidential and not disclosed to third parties except in specific circumstances. In the proceeds held case of employees, the agreements provide that all inventions conceived of by the individual during the course of employment, and which relate to or are reasonably capable or being used in the trust account could be reduced our current or planned business or R&D are our exclusive property. However, such agreements and the per-share redemption amount received by stockholders any security policies may be less than $10.00 per share.

Our placing of funds in the trust account breached and we may not protect those funds from third party claims against us. Although we will seek have adequate remedies for such breaches. For more information, see "*Risk Factors — Risks Related to have all vendors, service providers, prospective target businesses Intellectual Property.*"

Competition

The pharmaceutical industry is highly competitive and requires an ongoing, extensive search for technological innovation. It also requires, among other entities (except things, the ability to effectively discover, develop, test and obtain regulatory approvals for our Independent Registered Public Accounting Firm) with which we do business execute agreements with us waiving any right, title, interest or claim of any kind in or to any monies held in the trust account for the benefit of our public stockholders, such parties may not execute such agreements, or even if they execute such agreements they may not be prevented from bringing claims against the trust account, including, but not limited to, fraudulent inducement, breach of fiduciary responsibility or other similar claims, novel products, as well as claims challenging the enforceability ability to effectively commercialize, market and promote approved products, including communicating the effectiveness, safety and value of the waiver, in each case in order products to gain advantage with respect to a claim against our assets, including the funds held actual and prospective customers and medical professionals. Numerous companies are engaged in the trust account. If any third party refuses development, manufacture and marketing of products competitive with those that we are developing. Many of our competitors have greater resources than we have. This enables them, among other things, to execute an agreement waiving such claims leverage their financial resources to make greater R&D, marketing and promotion investments than us. Our competitors may also have more experience and expertise in obtaining marketing approvals from the monies held FDA and other regulatory authorities. Our technologies and products may be rendered obsolete or uneconomical by technological advances or entirely different approaches developed by one or more of our competitors.

As more companies develop new intellectual property in our markets, the possibility of a competitor acquiring patent or other rights that may limit our products or potential products increases, which could lead to litigation. In addition to product development, testing, approval and promotion, other competitive factors in the trust account, pharmaceutical industry include industry consolidation, product quality and price, product technology, reputation, customer service and access to technical information.

We are currently focusing our management will consider whether competitive alternatives clinical efforts on the use of botulinum toxins to treat migraine, cervical dystonia, and gastroparesis and expect to pursue indications to treat other therapeutic conditions. We expect to compete directly with other injectable botulinum toxins and other pharmaceuticals that are reasonably available to us currently utilized and will only enter into an agreement with such third party if management believes that such third party's engagement would be being developed for each of these disease states.

Injectable Botulinum Toxins

Our primary competitors for ABP-450 in the best interests of the company under the circumstances. Making such injectable botulinum toxin pharmaceutical market for therapeutic use are Botox, Dysport, Xeomin, Myobloc, a request of potential target businesses may make any acquisition proposal less attractive to them type-B botulinum toxin serotype marketed by U.S. WorldMeds, and to the extent prospective target businesses refuse to execute such a waiver, it may limit the field of potential target businesses that we might pursue (although AEON Revance's botulinum toxin, Daxxify. Revance has via the Business Combination Agreement, executed such a waiver). The underwriters of our initial public offering as well as our registered independent public accounting firm will not execute agreements with us waiving such claims to the monies held in the trust account.

Examples of possible instances where we may engage a third party that refuses to execute a waiver include the engagement of a third party consultant whose particular expertise or skills are believed by management to be significantly superior to those of other consultants that would agree to execute a waiver or in cases where management is unable to find a service provider willing to execute a waiver. In addition, there is no guarantee that such entities will agree to waive any claims they may have in the future as a result of, or arising out of, any negotiations, contracts or agreements with us and will not seek recourse against the trust account for any reason. Upon redemption of our public shares, if we are unable to complete our initial business combination within the prescribed timeframe, or upon the exercise of a redemption right in connection with our initial business combination, we will be required to provide for payment of claims of creditors that were not waived that may be brought against us within the 10 years following redemption. Accordingly, the per-share redemption amount received by public stockholders could be less than the $10.00 per public share initially held in the trust account, due to claims of such creditors. Pursuant to the letter agreement the form of which was filed as an exhibit to the registration statement for our initial public offering, our sponsor has agreed that it will be liable to us if and to the extent any claims by a third party for services rendered or products sold to us, or a prospective target business with which we have entered into a written letter collaboration and license agreement with Viatris Inc., to develop and commercialize a biosimilar to Botox. Each of intent, confidentiality or other similar agreement or business combination agreement, reduce Botox, Dysport, Xeomin, Myobloc and Daxxify are approved by the amount FDA for the treatment of funds in cervical dystonia. Botox is currently the trust account to below only botulinum toxin approved for the lesser treatment of (i) $10.00 per public share and (ii) the actual amount per public share held in the trust account as of the date of the liquidation of the trust account, if less than $10.00 per public share due to reductions in the value of the trust assets, less taxes payable, provided that such liability will not apply to any claims by a third party or prospective target business who executed a waiver of any and all rights to the monies held in the trust account (whether or not such waiver is enforceable) nor will it apply to any claims under our indemnity of the underwriters of our initial public offering against certain liabilities, including liabilities under the Securities Act. However, we have not asked our sponsor to reserve for such indemnification obligations, nor have we independently verified whether our sponsor has sufficient funds to satisfy its indemnity obligations and chronic migraine, although we believe that a clinical study is being conducted to evaluate Dysport for the treatment of chronic migraine. There are no approved botulinum toxins approved for the treatment of gastroparesis and, to our sponsor's only assets knowledge, there are securities no active clinical studies evaluating the potential of our company. Therefore, we cannot assure you that our sponsor would another neurotoxin to treat gastroparesis.

We are aware of competing botulinum toxins currently being developed or commercialized in the United States, the European Union, Asia, South America, and other markets. While some of these products may not meet United States regulatory standards, the companies operating in these markets may be able to satisfy those obligations. As produce products at a result, if any such claims were successfully made against lower cost than United States and European manufacturers. In addition to the trust account, injectable botulinum toxin dose forms, we are aware that other companies are developing topical botulinum toxins for therapeutic indications.

Preventative Treatment of Migraine

Beta Blockers, Anti-Epileptics, and Triptans

Botox is approved for the funds available preventative treatment of chronic migraine and certain other agents are used as first-and second-line treatments for our initial business combination the prevention of migraine, including triptans, beta blockers, and redemptions could be reduced to less than $10.00 per public share. In such event, we may not be able to complete our initial business combination, and you would receive such lesser amount per share in connection with any redemption of your public shares. None of our officers or directors will indemnify us for claims by third parties including, without limitation, claims by vendors and prospective target businesses. anti-epileptics.

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Our directors may decide not *We will also face competition in our target therapeutic markets from companies that provide treatment options with other pharmaceutical or non-pharmaceutical products. For the preventative treatment of chronic migraine, we will face competition from CGRP agonists, including Aimovig (erenumab) marketed by Amgen Inc., Ajovy (fremenezumab) marketed by Teva Pharmaceutical Industries Ltd., and Emgality (galcenezumab) marketed by Eli Lilly and Company. Each of Aimovig, Ajovy and Emgality are self-administered by a monthly subcutaneous injection. In 2020, Vyepti (eptinezumab) marketed by Lundbeck A/S was approved for the prevention of migraine and is administered every 3 months by intravenous infusion. In addition, Qulipta (atogepant) marketed by AbbVie and Nurtec ODT (rimegepant) marketed by Pfizer Inc. have recently been approved for the prevention of migraine via once-daily, orally administered products in 2021 and 2023, respectively. The FDA has also accepted a New Drug Application for vazegepant, marketed by Pfizer Inc., to* *enforce* *be used as an intranasal formulation for both the* *indemnification obligations* *acute treatment and prevention of migraine. If approved, this therapy will be commercially available for the treatment of migraine prior to ABP-450. Notably, initial positive data has been published studying the reduction in migraine days when a botulinum toxin is used in combination with CGRP, suggesting that combination therapy could provide further reduction in MMD than either botulinum toxin or CGRPs alone.*

Other Treatments

We will also face competition in our **sponsor, resulting** **target therapeutic markets from companies that provide treatment options with other pharmaceutical or non-pharmaceutical products. For the treatment of cervical dystonia, in addition to other injectable botulinum toxins, we will face competition from orally administered anticholinergic, GABA receptor agonist, benzodiazepine, dopaminergic and anticonvulsant pharmaceuticals. For the treatment of gastroparesis, we will face competition from prokinetic agents, including REGLAN (IV administered metoclopramide) and Gimoti (nasal spray metoclopramide), which are the only medications currently approved by FDA for the treatment of gastroparesis.**

Government Regulation

We operate in a **reduction in the amount of funds in the trust account available for distribution to our public stockholders.**

In the event **highly regulated industry** **that** **the proceeds in the trust account are reduced below the lesser of (i) $10.00 per share and (ii) the actual amount per public share held in the trust account as of the date of the liquidation of the trust account if less than $10.00 per public share due to reductions in the value of the trust assets, in each case less taxes payable, and our sponsor asserts that it** **is** **unable to satisfy its obligations or that it has no indemnification obligations related to a particular claim, our independent directors would determine whether to take legal action against our sponsor to enforce its indemnification obligations. While we currently expect that our independent directors would take legal action on our behalf against our sponsor to enforce its indemnification obligations to us, it is possible that our independent directors in exercising their business judgment and** **subject to** **their fiduciary duties may choose not** **significant federal, state, local and foreign regulation. Our business has been, and will continue** **to** **do so in any particular instance. If our independent directors choose not to enforce these indemnification obligations, the amount of funds in the trust account available for distribution to our public stockholders may be reduced below $10.00 per share.**

If, after we distribute the proceeds in the trust account to our public stockholders, we file a bankruptcy petition or an involuntary bankruptcy petition is filed against us that is not dismissed, a bankruptcy court may seek to recover such proceeds, and the members of our board of directors may be viewed as having breached their fiduciary duties to our creditors, thereby exposing the members of our board of directors and us to claims of punitive damages.

If, after we distribute the proceeds in the trust account to our public stockholders, we file a bankruptcy petition or an involuntary bankruptcy petition is filed against us that is not dismissed, any distributions received by stockholders could be viewed under applicable debtor/creditor and/or bankruptcy laws as either a "preferential transfer" or a "fraudulent conveyance." As a result, a bankruptcy court could seek to recover some or all amounts received by our stockholders. In addition, our board of directors may be viewed as having breached its fiduciary duty to our

creditors and/or having acted in bad faith, by paying public stockholders from the trust account prior to addressing the claims of creditors, thereby exposing itself and us to claims of punitive damages.

If, before distributing the proceeds in the trust account to our public stockholders, we file a bankruptcy petition or an involuntary bankruptcy petition is filed against us that is not dismissed, the claims of creditors in such proceeding may have priority over the claims of our stockholders and the per-share amount that would otherwise be received by our stockholders in connection with our liquidation may be reduced.

If, before distributing the proceeds in the trust account to our public stockholders, we file a bankruptcy petition or an involuntary bankruptcy petition is filed against us that is not dismissed, the proceeds held in the trust account could be, subject to a variety of laws including the Federal Food, Drug and Cosmetic Act, or FFDCA, and the Public Health Service Act, or PHS Act, among others. Biological products or "biologics," which are the focus of our business, are subject to regulation under the FFDCA and PHS Act. Our products, if approved, will be regulated as biologics. With this classification, commercial production of our products will need to occur in registered and licensed facilities in compliance with cGMP for biologics. Among other things, biologics require clinical studies to demonstrate product safety and efficacy (i.e., that the product is safe, pure and potent), and the submission and approval of a BLA for marketing authorization. Also, various federal and state laws govern the R&D, testing, investigation, manufacture, storage, recordkeeping, regulatory approval, labeling, promotion and marketing, distribution, post-approval monitoring and reporting, sampling, and import and export of these products. Failure to comply with applicable bankruptcy law, United States requirements may subject a company to a variety of administrative or judicial sanctions, such as FDA refusal to approve pending license or marketing applications, warning letters, enforcement actions, import alerts or detentions, product recalls, product seizures, total or partial suspension of production or distribution, withdrawal of approval, injunctions, fines, civil penalties and criminal prosecution.

United States Biological Products Development Process

The process required by the FDA before a biological product may be included marketed in our bankruptcy estate the United States generally involves the following:

- completion of nonclinical laboratory tests and subject animal studies according to good laboratory practices, or GLPs, and applicable requirements for the humane use of laboratory animals under the Animal Welfare Act and its implementing regulations, or other applicableregulations;
- submission to the claims FDA of third parties with priority over an IND, which must become effective before human clinical studies may begin;
- performance of adequate and well-controlled human clinical studies to establish the claims safety and efficacy of our stockholders. To the extent proposed biologic for its intended use, according to the FDA's regulations, commonly referred to as good clinical practices, or GCPs, and any bankruptcy claims deplete additional requirements including those for the trust account, protection of human research subjects and their health and other personalinformation;
- preparation and submission to the per-share amount that would otherwise be received by our stockholders in connection with our liquidation may be reduced.

If we are deemed to be an investment company under the Investment Company Act, we may be required to institute burdensome compliance requirements and our activities may be restricted, FDA of a BLA for marketing approval which may make it difficult for us to complete our initial business combination. contains, among

If we are deemed to be an investment company under the Investment Company Act, our activities may be restricted, including:

- restrictions on the nature of our investments; and
- restrictions on the issuance of securities, each of which may make it difficult for us to complete our initial business combination. In addition, we may have imposed upon us burdensome requirements, including:
- registration as an investment company with the SEC;
- adoption of a specific form of corporate structure; and
- reporting, record keeping, voting, proxy and disclosure requirements and other rules and regulations that we are not subject to.

In order not

otherthings,datasupportingthesafetyandeffectivenessofthebiologic,anddataonthechemistry, manufacturing,andcontrols,orCMC,oftheproductthatsupporttheidentity,strength,quality,purity, andpotencyofthebiologicthatwillbeproduced;

- satisfactory completion of an FDA pre-licensure inspection of the manufacturing facility or facilities where the biologic is produced to be regulated assess compliance with cGMP, to assure that the facilities, methods and controls are adequate to preserve the biologic's identity, strength, quality, purity, and potency;
- potential FDA audits of the nonclinical study and clinical study sites that generated the data in support of the BLA;and
- FDA review and approval of theBLA.

Nonclinical Studies

Biological product development in the United States typically involves nonclinical or "preclinical" (e.g., laboratory or animal) testing. Nonclinical tests often include laboratory evaluation of product chemistry, formulation, and toxicity, as an investment company under well as animal studies to assess the Investment Company Act, unless we can qualify for an exclusion, we characteristics and potential safety and efficacy of the product. The conduct of the nonclinical tests must ensure that we comply with applicable federal regulations and requirements including GLPs, among other requirements. The results of initial nonclinical testing are engaged primarily in a business other than investing, reinvesting or trading of securities and that our activities do not include investing, reinvesting, owning, holding or trading "investment securities" constituting more than 40% of our assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis. Our business will be to identify and complete a business combination and thereafter to operate the post-transaction business or assets for the long term. We do not plan to buy businesses or assets with a view to resale or profit from their resale. We do not plan to buy unrelated businesses or assets or to be a passive investor.

We do not believe that our anticipated principal activities will subject us submitted to the Investment Company Act. To this end, the proceeds held in the trust account may only be invested in United States "government securities" within the meaning of Section 2(a)(16) of the Investment Company Act having a maturity of 185 days or less or in money market funds meeting certain conditions under Rule 2a-7 promulgated under the Investment Company Act which invest only in direct U.S. government treasury obligations. Pursuant to the trust agreement, the trustee is not permitted to invest in other securities or assets. By restricting the investment of the proceeds to these instruments, and by having a business plan targeted at acquiring and growing businesses for the long term (rather than on buying and selling businesses in the manner of a merchant bank or private equity fund), we intend to avoid being deemed an "investment company" within the meaning of the Investment Company Act. Our Class A Common Stock is not intended for persons who are seeking a return on investments in government securities or investment securities. The trust account is intended as a holding place for funds pending the earliest to occur of either: (i) the completion of our initial business combination; (ii) the redemption of any public shares properly tendered in connection with a stockholder vote to amend our amended and restated certificate of incorporation to modify the substance or timing of our obligation to redeem 100% of our public shares if we do not complete our initial business combination by August 11, 2023; and (iii) absent an initial business combination by August 11, 2023 or with respect to any other material provisions relating to stockholders' rights or pre-initial business combination activity, our return of the funds held in the trust account to our public stockholders FDA as part of our redemption an IND along with other information, including information about product chemistry, manufacturing and controls, any relevant prior clinical experience, and a proposed clinical study protocol. Additional nonclinical testing, such as animal tests of reproductive toxicity and carcinogenicity, may continue after the IND is submitted and generally must be included in the BLA.

Clinical Studies

Prior to beginning the first clinical study with a product candidate, a sponsor must submit an IND to the FDA. An IND is a request for authorization from the FDA to administer an investigational new drug product to humans. The central focus of an IND submission is on the general investigational plan and the protocol or protocols for preclinical and clinical studies. The IND also includes results of animal and in vitro studies assessing the toxicology, pharmacokinetics, pharmacology and pharmacodynamic characteristics of the public shares. product, chemistry, manufacturing and controls information, and any available human data or literature to support the use of the investigational product. An IND must become effective before human

clinical trials may begin. For clinical studies in the United States or otherwise regulated by the FDA, a 30-day waiting period after the submission of each IND is required prior to the commencement of clinical testing in humans. If we do the FDA has not invest raised questions or concerns relating to the proceeds IND and placed the IND on clinical hold within this 30-day period, the clinical study proposed in the IND may begin. If the FDA does place the IND on clinical hold, the IND sponsor must resolve any outstanding concerns to the FDA's satisfaction before the clinical study can begin.

Our clinical studies for our ABP-450 product candidate will involve the administration of the investigational biologic to subjects under the supervision of one or more qualified investigators. Clinical studies must be conducted pursuant to an IND and in compliance with state and federal regulations and GCPs, an international standard meant to protect the rights and health of subjects and to define the roles of clinical study sponsors, administrators, and monitors, as discussed above, we may be deemed well as under protocols detailing the objectives of the study, the parameters to be subject used in monitoring safety and the effectiveness criteria to be evaluated. Each protocol involving testing on United States subjects and subsequent protocol amendments must be submitted to the Investment Company Act. If we were deemed FDA as part of the IND. The FDA may order the temporary or permanent discontinuation of a clinical study at any time or impose other requirements or sanctions if it believes that the clinical study is not being conducted in accordance with FDA requirements or presents an unacceptable risk to the clinical study subjects. The clinical study protocol, any protocol amendments, and informed consent information for subjects in clinical studies must also be submitted to an IRB for approval. An IRB may require the clinical study at the site to be subject to the Investment Company Act, compliance with these additional regulatory burdens would require additional expenses halted, either temporarily or permanently, for which we have not allotted funds and may hinder our ability to complete a business combination. If we are unable to complete our initial business combination, our public stockholders may only receive their pro rata portion of the funds in the trust account that are available for distribution to public stockholders, and our warrants will expire worthless.

Changes in laws or regulations, or a failure to comply with any laws the IRB's requirements, or may impose other conditions before approving the study for initiation. The IRB also approves the form and regulations, may adversely affect our business, content of the informed consent form that must be signed by each clinical study subject or his or her legal representative, and the IRB must monitor the clinical study until completed. There are also requirements governing the reporting of ongoing preclinical and clinical studies and clinical study results to public registries. Sponsors of certain clinical trials of FDA-regulated products, including our ability to negotiate and complete our initial business combination, and results of operations.

We biologics, are subject to laws and regulations enacted by national, regional and local governments. In particular, we will be required to comply with register and disclose certain SEC and other legal requirements. Compliance with, and monitoring of, applicable laws and regulations clinical trial information, which is publicly available at *www.clinicaltrials.gov*.

Human clinical studies are typically conducted in three sequential phases that may overlap or be difficult, time consuming and costly. Those laws and regulations and their interpretation and application may also change from time to time and those changes could have a material adverse effect on our business, investments and results of operations. In addition, a failure to comply with applicable laws or regulations, as interpreted and applied, could have a material adverse effect on our business, including our ability to negotiate another business combination (if required, should our proposed initial business combination with AEON not be consummated) or complete our initial business combination, and results of operations.

Our stockholders may be held liable for claims by third parties against us to the extent of distributions received by them upon redemption of their shares.

Under the DGCL, stockholders may be held liable for claims by third parties against a corporation to the extent of distributions received by them in a dissolution. The *pro rata* portion of our trust account distributed to our public stockholders upon the redemption of our public shares in the event we do not complete our initial business combination by August 11, 2023 may be considered a liquidating distribution under Delaware law. If a corporation complies with certain procedures set forth in Section 280 of the DGCL intended to ensure that it makes reasonable provision for all claims against it, including a 60-day notice period during which any third-party claims can be brought against the corporation, a 90-day period during which the corporation may reject any claims brought, and an additional 150-day waiting period before any liquidating distributions are made to stockholders, any liability of stockholders with respect to a liquidating distribution is limited to the lesser of such stockholder's *pro rata* share of the claim or the amount distributed to the stockholder, and any liability of the stockholder would be barred after the third anniversary of the dissolution. However, it is our intention to redeem our public shares as soon as reasonably possible following the 24th month from the closing of our initial public offering in the event we do not complete our initial business combination and, therefore, we do not intend to comply with the foregoing procedures. combined:

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Because we will not be complying with Section 280, Section 281(b)

- **Phase 1. The product candidate is initially introduced into a limited population of the DGCL requires us to adopt a plan, based on facts known to us at such time that will provide healthy human subjects and tested for our payment of all existing safety, dosage tolerance, absorption, metabolism, distribution, and pending claims or claims that may be potentially brought against us within the 10 years following our dissolution. However, because we are a blank check company, rather than an operating company, and our operations will be limited to searching for prospective target businesses to acquire, the only likely claims to arise would be from our vendors (such as lawyers, investment bankers, etc.) or prospective target businesses. If our plan of distribution complies with Section 281(b) of the DGCL, any liability of stockholders with respect to a liquidating distribution is limited to the lesser of such stockholder's pro rata share of the claim or the amount distributed to the stockholder, and any liability of the stockholder would likely be barred after the third anniversary of the dissolution. We cannot assure you that we will properly assess all claims that may be potentially brought against us. As such, our stockholders could potentially be liable for any claims to the extent of distributions received by them (but no more) and any liability of our stockholders may extend beyond the third anniversary of such date. Furthermore, if the pro rata portion of our trust account distributed to our public stockholders upon the redemption of our public shares in the event we do not complete our initial business combination by August 11, 2023 is not considered a liquidating distribution under Delaware law and such redemption distribution is deemed to be unlawful (potentially due to the imposition of legal proceedings that a party may bring or due to other circumstances that are currently unknown), then pursuant to Section 174 of the DGCL, the statute of limitations for claims of creditors could then be six years after the unlawful redemption distribution, instead of three years, as in excretion. In the case of some products for some diseases or when the product may be too inherently toxic to ethically administer to healthy volunteers, the initial human testing is often conducted in patients with the disease or condition for which the product candidate is intended to gain an early indication of its effectiveness.**
- **Phase 2. The product candidate is evaluated in a liquidating distribution.**

We may not hold an annual meeting of stockholders until after limited patient population, but larger than in Phase 1, to identify possible adverse events and safety risks, to preliminarily evaluate the consummation of our initial business combination, which could delay the opportunity for our stockholders to elect directors.

In accordance with Nasdaq's corporate governance requirements, we are not required to hold an annual meeting until no later than one year after our first fiscal year end following our listing on Nasdaq. Under Section 211(b) efficacy of the DGCL, we product for specific targeted indications, and to assess dosage tolerance, optimal dosage, and dosing schedule.

- **Phase 3. Clinical studies are however, undertaken to further evaluate dosage and provide substantial evidence of clinical efficacy and data supporting safety in an expanded patient population, such as several hundred to several thousand subjects, at geographically dispersed clinical study sites. Diversity of subject populations also has become an area of increased focus, supported by FDA and legislative actions to establish requirements for diversity action plans to ensure inclusion of underrepresented racial and ethnic populations in Phase 3 clinical trials. Phase 3 clinical studies are typically conducted when Phase 2 clinical studies demonstrate that a dose range of the product candidate is effective and has an acceptable safety profile. These studies typically have at least two groups of patients who, in a blinded fashion, receive either the product or a placebo.**
- **Phase 3 clinical studies are intended to establish the overall risk-benefit ratio of the product and provide an adequate basis for product labeling. Generally, two adequate and well-controlled Phase 3 clinical studies are required by the FDA for approval of a BLA.**
- **Phase 4. In some cases, the FDA may condition approval of a BLA for a product candidate on the sponsor's agreement to hold an annual meeting conduct additional clinical studies after approval. In other cases, a sponsor may voluntarily conduct additional clinical studies after approval to gain**

more information about the product. These clinical studies are used to gain additional experience from the treatment of stockholders patients in the intended therapeutic indication, particularly for long-term safety follow-up. Such post-approval studies are sometimes referred to as "Phase 4" clinical studies.

Concurrent with clinical studies, companies may complete additional nonclinical studies and develop additional information about the purposes biological characteristics of electing directors the product candidate and must finalize a process for manufacturing the product in commercial quantities in accordance with our bylaws unless such election cGMPs and also CMC requirements that are approved as part of the BLA. The manufacturing process must be capable of consistently producing quality batches of the product candidate and, among other things, must develop methods for testing the identity, strength, quality, purity, and potency of the finished product. In addition, appropriate packaging must be selected and tested, and stability studies must be conducted to demonstrate that the drug product candidate does not undergo unacceptable deterioration over its shelf life.

Biological License Applications (BLAs)

Pursuant to the PHS Act Section 351, in order to market a biological product, an entity must submit and receive approval of a BLA based on a demonstration that (a) the biological product that is made the subject of the application is safe, pure, and potent; and (b) the facility in which the biological product is manufactured, processed, packed, or held meets standards designed to assure that the biological product continues to be safe, pure, and potent. When an FDA application is approved in the first instance, it is an "original BLA" which is assigned a BLA number by written consent the FDA.

An approved "original" BLA may be supplemented (amended) to incorporate changes. Specifically, FDA regulations state that an applicant holding a BLA "shall submit a supplement," and receive FDA approval of a supplement, before implementing the addition of a new indication, and other changes that may have a substantial potential to have an adverse effect on the identity, strength, quality, purity, or potency of the product. When approved, the supplement incorporates the changes into the BLA under the original BLA number. It is also possible that an applicant may, in lieu some cases, submit a separate original application instead of such a meeting. We may supplement based on intended changes and discussions with FDA. However, if an entity does not hold an annual meeting of stockholders to elect new directors prior to the consummation of our initial business combination, and thus we may a BLA, a supplement would not be in compliance with Section 211(b) of the DGCL, which requires an annual meeting. Therefore, if our stockholders want us to hold an annual meeting prior to the consummation of our initial business combination, they may attempt to force us to hold one by submitting an application to the Delaware Court of Chancery in accordance with Section 211(c) of the DGCL.

Because we are neither limited to evaluating a target business in a particular industry sector nor have we selected any specific target businesses with which to pursue our initial business combination, you will be unable to ascertain the merits or risks of any particular target business's operations.

Our efforts to identify a prospective initial business combination target will not be limited to a particular industry, sector or geographic region. Our amended and restated certificate of incorporation prohibits us from effectuating a business combination with another blank check company or similar company with nominal operations. Because we have not yet selected any specific target business with respect to a business combination, there is no basis to evaluate the possible merits or risks of any particular target business's operations, results of operations, cash flows, liquidity, financial condition or prospects. To the extent we complete our initial business combination, we may be affected by numerous risks inherent in the business operations with which we combine (including those of AEON, should our proposed initial business combination be consummated). For example, if we combine with a financially unstable business or an entity lacking an established record of sales or earnings, we may be affected by the risks inherent in the business and operations of a financially unstable or a development stage entity. Although our officers and directors will endeavor to evaluate the risks inherent in a particular target business, we cannot assure you that we will properly ascertain or assess all of the significant risk factors or that we will have adequate time to complete due diligence. Furthermore, some of these risks may be outside of our control and leave us with no ability to control or reduce the chances that those risks will adversely impact a target business. We also cannot assure you that an investment in our units will ultimately prove to be more favorable to investors than a direct investment, if such opportunity were available, in a business combination target. Accordingly, any stockholders or warrant holders who choose to remain stockholders or warrant holders following the business combination (including our proposed initial business combination with AEON) could suffer a reduction in the value of their securities. Such stockholders or warrant holders are unlikely to have a remedy for such reduction in value unless they are able to successfully claim that the reduction was due to the breach by our officers or directors of a duty of care or other fiduciary duty owed to them, or if they are able to successfully bring a private claim under securities laws that the proxy

materials or tender offer documents, as applicable, relating to the business combination contained an actionable material misstatement or material omission. option.

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Although A BLA holder is legally responsible for all regulatory obligations associated with the BLA, including each supplement thereto, and is the only party that would be authorized to submit a supplement. If an entity does not hold a BLA, it does not hold an application to supplement, and would generally need to submit an original BLA. Companies typically submit a BLA sometime after they have developed data necessary to support the safety, purity, and potency (safety and effectiveness) for labeled indication(s) and method(s) of use. We expect to submit our original BLA after such data has been developed. From an FDA regulatory perspective, we have identified general criteria believe we will be eligible to submit an original BLA for our product candidate (ABP-450) because we do not hold a BLA for ABP-450 that we could supplement. As such, an original BLA would be the appropriate option for our first BLA submission. For clarity, although we will not physically manufacture products (the product will be produced by Daewoong), FDA recognizes that separate parties can serve as a BLA holder for a product (responsible for ensuring regulatory compliance) and guidelines the physical manufacturer that will produce for a BLA holder pursuant to contract (i.e., a "contract manufacturer"). Thus we plan to submit, and ultimately hold, an approved original BLA for the ABP-450 product that is contract manufactured by Daewoong.

We are aware that a separate legal entity — Evolus — markets a product called Jeuveau (prabotulinumtoxinA-xvfs), also manufactured by Daewoong, which is very similar to our ABP-450 product, but has been approved for cosmetic indications. We are developing ABP-450 for therapeutic (not cosmetic) indications, will be marketing under a different trade name, and may potentially incorporate other changes. Evolus and AEON are distinct legal entities, will maintain their own manufacturing arrangements with Daewoong, and will market products with different indications and trade names, at minimum. As such, we believe it is appropriate that we maintain separate and distinct regulatory obligations for ABP-450, which would be accomplished by submitting and receiving approval for an original BLA.

The form of BLA approval is pertinent because payors will generally consider the pricing for all products falling under the same BLA together when calculating reimbursement rates. Notably, Medicare Part B payments for prescription drugs factor in prices for all versions of a drug, even when certain versions of the drug may be used primarily in situations that are not covered by the program (such as cosmetic applications). Centers for Medicare & Medicaid Services, or CMS, has interpreted the Medicare statute to require that: (1) all versions of a product listed under the same BLA must be considered the same drug or biological, for payments made under Section 1847A of the Social Security Act, and (2) for a product marketed under the same approval number, labeling that indicates that a version may be used primarily when the drug is not covered under Part B (e.g., the version is for self-administration only, or for cosmetic use) cannot be used as a basis to exclude that version from a payment amount calculation.

In the event we are not able to obtain an original BLA, we may not be able to ensure the consistent pricing that we believe are important an original BLA would offer, and the ASP of our products could be adversely affected.

BLA Submission and Marketing Approval

Assuming successful completion of all required testing in evaluating prospective target businesses, we accordance with all applicable regulatory requirements, a BLA is prepared and submitted to the FDA. FDA approval of the BLA is required before marketing of the product may enter into our initial business combination with begin in the United States. The BLA must include the results of all nonclinical, clinical and other testing, and a target compilation of data relating to the product's CMCs. The cost of preparing and submitting a BLA is substantial. The submission of most BLAs is additionally subject to a substantial application fee, and the sponsor of an approved BLA is also subject to annual program fees.

The FDA has 60 days from its receipt of a BLA to determine whether the application will be accepted for filing based on the agency's threshold determination that does not meet such criteria and guidelines, and as a result, the target business with

which we enter into our initial business combination may not have attributes entirely consistent with our general criteria and guidelines.

Although we have identified general criteria and guidelines for evaluating prospective target businesses, it is possible sufficiently complete to permit substantive review, and such decision could result in a refusal to file by the FDA. Once the submission is accepted for filing, the FDA begins an in-depth review. The FDA has agreed to certain performance goals in the review of BLAs. The FDA's goal is to review standard applications within ten months after it accepts the application for filing, or, if the application qualifies for priority review, six months after the FDA accepts the application for filing. Priority review designation will direct overall attention and resources to the evaluation of applications for products that, if approved, would be significant improvements in the safety or effectiveness of the treatment, diagnosis, or prevention of serious conditions compared to available therapies. The review process may be extended by the FDA for three additional months to consider certain late-submitted information or information intended to clarify information already provided in the submission. The FDA reviews a target business with BLA to determine, among other things, whether a product candidate is safe and effective for its intended use, and whether the facility in which we enter into our initial business combination will it is manufactured, processed, packed and held meets regulatory standards designed to assure and preserve the product's identity, safety, strength, potency, quality, and purity. The FDA may also refer applications for novel biologics products or biologics products that present difficult questions of safety or efficacy to an advisory committee, typically a panel that includes clinicians and other experts, for review, evaluation and a recommendation as to whether the application should be approved. The FDA is not have all bound by the recommendation of these positive attributes. If we complete our initial business combination with a target that does not meet an advisory committee but often follows some or all of these guidelines, such combination may not be as successful as a combination with a business that does meet all of our general criteria and guidelines. In addition, if we announce a prospective business combination with a target that does not meet our general criteria and guidelines, a greater number of stockholders may exercise their redemption rights, which may make it difficult for us to meet any closing condition with a target business that requires us to have a minimum net worth or a certain amount of cash (as is the case for our proposed initial business combination with AEON). In addition, if stockholder approval of the transaction is required by law, or we decide to obtain stockholder approval for business or other legal reasons, it may be more difficult for us to attain stockholder approval of our initial business combination if the target business does not meet our general criteria and guidelines. If we are unable to complete our initial business combination, our public stockholders may only receive their pro rata portion of the funds in the trust account that are available for distribution to public stockholders, and our warrants will expire worthless.

We may seek business combination opportunities with a financially unstable business or an entity lacking an established record of revenue, cash flow or earnings, which could subject us to volatile revenues, cash flows or earnings or difficulty in retaining key personnel.

To the extent we complete our initial business combination with an early stage company, a financially unstable business or an entity lacking an established record of revenues or earnings, we may be affected by numerous risks inherent in the operations of the business with which we combine. These risks include investing in a business without a proven business model or with limited historic financial data, volatile revenues or earnings, intense competition and difficulties in obtaining and retaining key personnel. Some of these risks may be outside of our control and leave us with no ability to control or reduce the chances that those risks will adversely impact a target business.

We are not required to obtain an opinion from an independent investment banking firm or from a valuation or appraisal firm, and consequently, you may have no assurance from an independent source that the price we are paying for the business (including AEON) is fair to our stockholders from a financial point of view.

Unless we complete our initial business combination with an affiliated entity (although AEON is not affiliated with our sponsor, officers or directors) or our board of directors cannot independently determine the fair market value of the target business or businesses (including with the assistance of financial advisors), we are not required to obtain an opinion from an independent investment banking firm which is a member of FINRA or from a valuation or appraisal firm that the price we are paying is fair to our stockholders from a financial point of view. If no opinion is obtained, our stockholders will be relying on the judgment of our board of directors, who will determine fair market value based on standards generally accepted by the financial community. Such standards used will be disclosed in our proxy materials or tender offer documents, as applicable, related to our initial business combination.

Resources could be wasted in researching business combinations that are not completed, which could materially adversely affect subsequent attempts to locate and acquire or merge with another business. If we are unable to complete our initial

business combination, our public stockholders may only receive their pro rata portion of the funds in the trust account that are available for distribution to public stockholders, and our warrants will expire worthless.

We anticipate that the investigation of each specific target business and the negotiation, drafting and execution of relevant agreements, disclosure documents and other instruments will require substantial management time and attention and substantial costs for accountants, attorneys and others. If we decide not to complete a specific initial business combination (including our proposed initial business combination with AEON), the costs incurred up to that point for the proposed transaction likely would not be recoverable. Furthermore, if we reach an agreement relating to a specific target business, we may fail to complete our initial business combination for any number of reasons including those beyond our control. Any such event will result in a loss to us of the related costs incurred which could materially adversely affect subsequent attempts to locate and acquire or merge with another business. If we are unable to complete our initial business combination, our public stockholders may only receive their pro rata portion of the funds in the trust account that are available for distribution to public stockholders, and our warrants will expire worthless. its recommendations.

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We In addition to the above, under the Pediatric Research Equity Act, a BLA applicant, absent a deferment or waiver, must develop a pediatric development plan and, potentially, conduct pediatric studies prior to submission of the BLA.

Pre-licensure inspections are often conducted at one or more clinical study sites, and may issue notes be conducted at nonclinical testing sites as well. Additionally, the FDA will inspect the facility or the facilities at which the biological product is manufactured prior to approval. The FDA will not approve the BLA unless it determines that compliance with cGMP is satisfactory. Manufacturers of biologics also must comply with the FDA's general biological product standards and approved CMC requirements.

After the FDA evaluates the BLA and information from any pre-licensure inspections or other debt securities, data sources, it issues either an approval letter or a complete response letter. A complete response letter outlines the deficiencies in the submission and may require substantial additional testing, including additional large-scale clinical testing or information in order for the FDA to reconsider the application. If, or when, those deficiencies have been addressed to the FDA's satisfaction in a resubmission of the BLA, the FDA will issue an approval letter. The FDA has committed to the goal of reviewing such resubmissions in two or six months depending on the type of information included.

An approval letter authorizes commercial marketing of the finished biological product within the United States with specific labeling (e.g., prescribing information) for specific indications. As a condition of BLA approval, the FDA may require substantial post-approval testing and surveillance to monitor the product's safety or efficacy and may impose other conditions, including labeling restrictions, which can materially affect the product's potential market and profitability. For example, the FDA may approve the BLA with REMS to ensure the benefits of the product continue to outweigh its risks. A REMS is a safety strategy to manage a known or potential serious risk associated with a medicine and to enable patients to have continued access to such medicines by managing their safe use, and could include medication guides, physician communication plans, or elements to assure safe use, such as restricted distribution methods, patient registries, and other risk minimization tools. The FDA also may condition approval on, among other things, changes to proposed labeling or the development of adequate controls and specifications. Once granted, product approvals may be withdrawn if compliance with regulatory standards is not maintained or if problems or safety issues are identified following initial marketing. The FDA may require one or more Phase 4 post-market studies and surveillance to further assess and monitor the product's safety and effectiveness after commercialization, and may limit further marketing of the product based on the results of these post-marketing studies. Changes to some of the conditions established in an approved application, including changes in indications, labeling, ingredients or manufacturing processes or facilities, require submission and FDA approval of a new BLA or BLA supplement before the change can be implemented.

A BLA supplement for a new indication typically requires clinical data similar to that in the original application, and the FDA uses the same procedures and actions in reviewing BLA supplements as it does in reviewing BLAs. In addition, new government requirements, including those resulting from new legislation, may be established, or the FDA's policies may

change, which could impact the timeline for regulatory approval or otherwise incur substantial debt, impact ongoing development programs.

Expedited Development and Review Programs

Any marketing application for a biologic submitted to the FDA for approval may be eligible for FDA programs intended to expedite the FDA review and approval process, such as priority review, fast track designation, breakthrough therapy designation, and accelerated approval.

A product is eligible for priority review, or review within a six-month timeframe from the date a complete BLA is accepted for filing, if it has the potential to provide a business combination, which may adversely affect our leverage significant improvement in safety and financial effectiveness compared to available therapies. The FDA will attempt to direct additional resources to the evaluation of an application for a new drug or biological product designated for priority review in an effort to facilitate the review.

To be eligible for a fast track designation, the FDA must determine, based on the request of a sponsor, that a product is intended to treat a serious or life-threatening disease or condition and thus negatively impact demonstrates the value of our stockholders' investment in us.

Although we have no commitments as potential to address an unmet medical need by providing a therapy where none exists or a therapy that may be potentially superior to existing therapy based on efficacy or safety factors. Fast track designation provides opportunities for frequent interactions with the FDA review team to expedite development and review of the date product. The FDA may also review sections of this Annual Report to issue any notes or other debt securities, or to otherwise incur outstanding debt, we may choose to incur substantial debt to the BLA for a fast track product on a rolling basis before the complete our initial business combination. We application is submitted, if the sponsor and our officers have agreed that we will not incur any indebtedness unless we have obtained from FDA agree on a schedule for the lender a waiver submission of any right, title, interest or claim of any kind in or to the monies held in the trust account. As such, no issuance of debt will affect the per share amount available for redemption from the trust account. Nevertheless, the incurrence of debt could have a variety of negative effects, including:

- default and foreclosure on our assets if our operating revenues after an initial business combination are insufficient to repay our debt obligations;
- acceleration of our obligations to repay the indebtedness even if we make all principal and interest payments when due if we breach certain covenants that require the maintenance of certain financial ratios or reserves without a waiver or renegotiation of that covenant;
- our immediate payment of all principal and accrued interest, if any, if the debt is payable on demand;
- our inability to obtain necessary additional financing if the debt contains covenants restricting our ability to obtain such financing while the debt is outstanding;
- our inability to pay dividends on our Class A Common Stock;
- using a substantial portion of our cash flow to pay principal and interest on our debt, which will reduce the funds available for dividends on our Class A Common Stock if declared, expenses, capital expenditures, acquisitions and other general corporate purposes;
- limitations on our flexibility in planning for and reacting to changes in our business and in the industry in which we operate;
- increased vulnerability to adverse changes in general economic, industry and competitive conditions and adverse changes in government regulation; and
- limitations on our ability to borrow additional amounts for expenses, capital expenditures, acquisitions, debt service requirements, execution of our strategy and other purposes and other disadvantages compared to our competitors who have less debt.

We may only be able to complete one business combination with the proceeds of our initial public offering application sections, and the sale sponsor pays any required user fees upon submission of the private placement warrants, which will cause us to be solely dependent on a single business (such as AEON) which may have a limited number first section of products or services. This lack of diversification may negatively impact our operations and profitability.

The net proceeds from our initial public offering and the private placement of warrants provided us with $266,340,000 that we may use to complete our initial business combination (after taking into account the $9,660,000 of deferred underwriting

commissions being held in the trust account). BLA.

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We In addition, a sponsor can request designation of a product candidate as a "breakthrough therapy." A breakthrough therapy is defined as a drug or biologic that is intended to treat a serious or life-threatening disease or condition, and preliminary clinical evidence indicates that the drug or biologic may effectuate demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. If a product is so designated, the FDA will take certain actions, such as holding timely meetings and providing advice, intended to expedite the development and review of an application for approval of a breakthrough therapy.

Additionally, products that may fulfill an unmet medical need and are studied for their safety and effectiveness in treating serious or life-threatening diseases or conditions may receive accelerated approval upon a determination that the product has an effect on a surrogate endpoint that is reasonably likely to predict clinical benefit, or on an intermediate clinical endpoint that can be measured earlier than irreversible morbidity or mortality, that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit, taking into account the severity, rarity, or prevalence of the condition and the availability or lack of alternative treatments. As a condition of accelerated approval, the FDA will generally require the sponsor to perform adequate and well-controlled Phase 4 post-marketing clinical studies to verify and describe the anticipated effect on irreversible morbidity or mortality or other clinical benefit. Failure to confirm efficacy in post-marketing studies or otherwise comply with the conditions of accelerated approval could result in withdrawal of approval. In addition, the FDA currently requires as a condition for accelerated approval pre-approval of promotional materials, which could adversely impact the timing of the commercial launch of the product.

Even if a product qualifies for one or more of these programs, the FDA may later decide that the product no longer meets the conditions for qualification or decide that the time period for FDA review and approval will not be shortened. Furthermore, priority review, fast track designation, and breakthrough therapy designation do not change the standards for approval but may expedite the development or approval process.

Post-Approval Requirements

Any products manufactured or distributed by us pursuant to FDA approvals are subject to pervasive and continuing regulation by the FDA, including, among other things, requirements relating to record-keeping, reporting of adverse experiences, periodic reporting, product sampling and distribution, and advertising and promotion of the product. After approval, most changes to the approved product, such as adding new indications or other labeling claims, are subject to prior FDA review and approval. There also are continuing, annual program fees for any marketed products. Biologic manufacturers and their subcontractors are required to register their establishments with the FDA and certain state agencies and are subject to periodic unannounced inspections by the FDA and certain state agencies for compliance with cGMP, which impose certain procedural and documentation requirements upon us and our initial business combination third-party manufacturers. Changes to the manufacturing process are strictly regulated and, depending on the significance of the change, may require prior FDA approval before being implemented. FDA regulations also require investigation and correction of any deviations from cGMP and impose reporting requirements upon us and any third-party manufacturers that we may decide to use. Accordingly, manufacturers must continue to expend time, money and effort in the area of production and quality control to maintain compliance with cGMP and other aspects of regulatory compliance.

The FDA may withdraw approval if compliance with regulatory requirements and standards is not maintained or if problems occur after the product reaches the market. Later discovery of previously unknown problems with a single target business product, including adverse events of unanticipated severity or multiple target businesses simultaneously frequency, or within a short period of time (as at the date of this Annual Report, we only intend with manufacturing processes, or failure to effectuate a business combination comply with a single target business, AEON). However, we may not be able to effectuate our initial business combination with more than one target business because of various factors, including the existence of complex accounting issues and the requirement that we prepare and file pro forma financial statements with the SEC that present

operating results and the financial condition of several target businesses as if they had been operated on a combined basis. By completing our initial business combination with only a single entity (such as AEON), our lack of diversification may subject us to numerous economic, competitive and regulatory developments. Further, we would not be able to diversify our operations or benefit from the possible spreading of risks or offsetting of losses, unlike other entities which may have the resources to complete several business combinations in different industries or different areas of a single industry. In addition, we have focused and, should we be required to seek another target business if our proposed business combination with AEON is not consummated, intend to focus, our search for an initial business combination in a single industry. Accordingly, the prospects for our success may be:

- solely dependent upon the performance of a single business (such as AEON), property or asset, or
- dependent upon the development or market acceptance of a single or limited number of products, processes or services.

This lack of diversification may subject us to numerous economic, competitive and regulatory risks, any or all of which may have a substantial adverse impact upon the particular industry in which we may operate subsequent to our initial business combination.

We may attempt to simultaneously complete business combinations with multiple prospective targets, which may hinder our ability to complete our initial business combination and give rise to increased costs and risks that could negatively impact our operations and profitability.

As at the date of this Annual Report, we only intend to effectuate a business combination with a single target business, AEON. If, however, we determine to simultaneously acquire several businesses that are owned by different sellers, we will need for each of such sellers to agree that our purchase of its business is contingent on the simultaneous closings of the other business combinations, which may make it more difficult for us, and delay our ability, to complete our initial business combination. With multiple business combinations, we could also face additional risks, including additional burdens and costs with respect to possible multiple negotiations and due diligence investigations (if there are multiple sellers) and the additional risks associated with the subsequent assimilation of the operations and services or products of the acquired companies in a single operating business. If we are unable to adequately address these risks, it could negatively impact our profitability and results of operations.

We may attempt to complete our initial business combination with a private company (such as AEON) about which little information is available, which requirements, may result in revisions to the approved labeling to add new safety information, imposition of post-market studies or clinical studies to assess new safety risks, or imposition of distribution restrictions or other restrictions under a business combination with a company that is not as profitable as we suspected, if at all. REMS program. Other potential consequences include, among other things:

- **In pursuing our business combination strategy, we may seek restrictions on the marketing or manufacturing of the product, restrictions on import or export, complete withdrawal of the product from the market or product recalls;**
- **fines, warning letters or untitled letters, or holds on post-approval clinical studies;**
- **refusal of the FDA to effectuate our initial business combination with a privately held company, such as AEON. Very little public information generally exists about private companies, and we could be required approve pending applications or supplements to make our decision on whether approved applications, or suspension or revocation of product license approvals;**
- **product seizure or detention or refusal to pursue a potential initial business combination on permit the basis import or export of limited information, which may result in a business combination with a company that is not as profitable as we suspected, if at all.**

  products;
- **consent decrees, corporate integrity agreements, debarment or exclusion from federal healthcare programs;**

- mandated modification of promotional materials and labeling and the issuance of corrective information;
- the issuance of safety alerts, Dear Healthcare Provider letters, press releases, and other communications containing warnings or other safety information about the product; and
- injunctions or the imposition of civil or criminal penalties.

We do The FDA closely regulates the marketing, labeling, advertising and promotion of biologics. A company can make only those claims relating to safety and efficacy, purity and potency that are approved by the FDA and in accordance with the provisions of the approved label. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses. Failure to comply with these requirements can result in, among other things, adverse publicity, warning letters, corrective advertising and potential civil and criminal penalties. Physicians may prescribe legally available products for uses that are not have a specified maximum redemption threshold. described in the product's labeling and that differ from those tested by us and approved by the FDA. Such off-label uses are common across medical specialties. Physicians may believe that such off-label uses are the best treatment for many patients in varied circumstances. The absence of such a redemption threshold may make it possible for us to complete our initial business combination with which a substantial majority of our stockholders or warrant holders do not agree.

Our amended and restated certificate of incorporation FDA does not provide a specified maximum redemption threshold, except that regulate the behavior of physicians in no event will we redeem our public shares in an amount that would cause our net tangible assets their choice of treatments. The FDA does, however, restrict manufacturers' communications on the subject of off-label use of their products.

In addition to the FDA's post-approval requirements, various state laws governing manufacturing, marketing, and distribution often apply, and state licenses may need to be less than $5,000,001. In addition, our proposed initial business combination (as obtained and renewed on a periodic basis in order to continue operations in specific states.

Biosimilars and Exclusivity

The ACA, signed into law in 2010, includes a subtitle called the BPCIA, which created an abbreviated approval pathway for biological products that are biosimilar to or interchangeable with an FDA-licensed reference biological product. The FDA has issued several guidance documents outlining an approach to review and approval of biosimilars.

Biosimilarity, which requires that there be no clinically meaningful differences between the biological product and the reference product in terms of safety, purity, and potency, can be shown through analytical studies, animal studies, and a clinical study or studies. Interchangeability requires that a product is the case for our proposed business combination with AEON) may impose a minimum cash requirement for: (i) cash consideration to be paid biosimilar to the target reference product and the product must demonstrate that it can be expected to produce the same clinical results as the reference product in any given patient and, for products that are administered multiple times to an individual, the risk in terms of safety or its owners, (ii) cash for working capital diminished efficacy of alternating or other general corporate purposes switching between use of the biological product and the reference product is not greater than the risk of using the reference product without such alteration or (iii) the retention of cash to satisfy other conditions. As a result, we switch. Interchangeable biosimilars may be able to complete our initial business combination even though substituted for original BLA biologics at the pharmacy level, state pharmacy laws permitting.

Under the BPCIA, an application for a substantial majority of our public stockholders do biosimilar product may not agree with the transaction and have redeemed their shares or, if we seek stockholder approval of our initial business combination and do not conduct redemptions in connection with our initial business combination pursuant be submitted to the tender offer rules, have entered into privately negotiated agreements to sell their shares to our sponsor, officers, directors, advisors or any of their affiliates. FDA until four years following the date that the reference product was first licensed by the FDA. In the event the aggregate cash consideration we would be required to pay for all shares of Class A Common stock that are validly submitted for redemption plus any amount required to satisfy cash conditions pursuant to the terms of the proposed business combination exceed the aggregate amount of cash available to us, we will not complete the business combination or redeem any shares in connection with such initial business combination, all shares of Class A Common Stock submitted for redemption will be returned to the holders thereof, and we instead may search for an alternate business combination.

In order to effectuate an initial business combination, special purpose acquisition companies have, in the recent past, amended various provisions of their charters and other governing instruments, including their warrant agreements. We cannot assure you that we will not seek to amend our amended and restated certificate of incorporation or governing instruments in a manner that will make it easier for us to complete our initial business combination that our stockholders may not support.

In order to effectuate a business combination, special purpose acquisition companies have, in the recent past, amended various provisions of their charters and governing instruments, including their warrant agreements. For example, special purpose acquisition companies have amended the definition of business combination, increased redemption thresholds and extended the time to consummate an initial business combination and, with respect to their warrants, amended their warrant agreements to require the warrants to be exchanged for cash and/or other securities. Amending our amended and restated certificate of incorporation will require addition, the approval of holders a biosimilar product may not be made effective by the FDA until twelve years from the date on which the reference product was first licensed. A reference biological product is granted twelve years of 65% data exclusivity from the time of our common stock, and amending our warrant agreement will require a vote of holders of at least 50% first licensure of the public warrants product, and solely with respect to any amendment the FDA will not accept an application for a biosimilar or interchangeable product based on the reference biological product until four years after the date of first licensure of the reference product. "First licensure" typically means the initial date the particular product at issue was licensed in the United States. Date of first licensure does not include the date of licensure of (and a new period of exclusivity is not available for) a biological product if the licensure is for a supplement for the biological product or for a subsequent application by the same sponsor or manufacturer of the biological product (or licensor, predecessor in interest, or other related entity) for a change (not including a modification to the terms structure of the private placement warrants biological product) that results in a new indication, route of administration, dosing schedule, dosage form, delivery system, delivery device or any provision strength, or for a modification to the structure of the warrant agreement with respect to the private placement warrants, 50% biological product, that does not result in a change in safety, purity, or potency. During this twelve-year period of exclusivity, another company may still market a competing version of the number of reference product if the then outstanding private placement warrants. In addition, our amended and restated certificate of incorporation requires us to provide our public stockholders with the opportunity to redeem their public shares for cash if we propose an amendment to our amended and restated certificate of incorporation to modify the substance or timing of our obligation to redeem 100% of our public shares if we do not complete an initial business combination by August 11, 2023 or with respect to any other material provisions relating to stockholders' rights or pre-initial business combination activity. To the extent any of such amendments would be deemed to fundamentally change the nature of the securities offered through this registration statement, we would register, or seek an exemption from registration FDA approves a full BLA for the affected securities. We cannot assure you competing product containing that we will not seek applicant's own preclinical data and data from adequate and well-controlled clinical studies to amend our charter demonstrate the safety, purity and potency of its product. The BPCIA also created certain exclusivity periods for biosimilars approved as interchangeable products.

A biologic can also obtain pediatric market exclusivity in the United States. Pediatric exclusivity, if granted, adds six months to existing exclusivity periods and patent terms. This six-month exclusivity, which runs from the end of other exclusivity protection or governing instruments or extend patent term, may be granted based on the time to consummate voluntary completion of a pediatric study in accordance with an initial business combination in order to effectuate our initial business combination. FDA-issued "Written Request" for such a study. In some instances, the same studies can satisfy both PREA and pediatric exclusivity requirements.

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The provisions of our amended BPCIA is complex and restated certificate of incorporation that relate continues to our pre-business combination activity (and corresponding provisions be interpreted and implemented by the FDA. In addition, government proposals have sought to reduce the twelve-year reference product exclusivity period. Other aspects of the agreement governing the release of funds from our trust account) may be amended with the approval of holders of 65% of our common stock, which is a lower amendment threshold than that of some other special purpose acquisition companies. It may

be easier for us, therefore, to amend our amended and restated certificate of incorporation to facilitate the completion of an initial business combination that BPCIA, some of our stockholders which may not support.

Our amended and restated certificate impact the BPCIA exclusivity provisions, have also been the subject of incorporation provides that any of its provisions related to pre-business combination activity (including the requirement to deposit proceeds of our initial public offering and the private placement of warrants into the trust account and not release such amounts except in specified circumstances, and to provide redemption rights to public stockholders as described herein) may be amended if approved by holders of 65% of our common stock entitled to vote thereon and corresponding provisions of the trust agreement governing the release of funds from our trust account may be amended if approved by holders of 65% of our common stock entitled to vote thereon. In all other instances, our amended and restated certificate of incorporation may be amended by holders of a majority of our outstanding common stock entitled to vote thereon, subject to applicable provisions of the DGCL or applicable stock exchange rules. Our initial stockholders, who will collectively beneficially own 20% of our common stock upon the closing of our initial public offering (assuming they do not purchase any units in our initial public offering), may participate in any vote to amend our amended and restated certificate of incorporation and/or trust agreement and will have the discretion to vote in any manner they choose. recent litigation. As a result, we may the ultimate impact, implementation, and impact of the BPCIA is subject to uncertainty.

Government Regulation in Europe

In the EEA (which is composed of the 27 Member States of the European Union plus Norway, Iceland, and Liechtenstein), medicinal products can only be able to amend commercialized after obtaining a Marketing Authorization, or MA. There are two types of MAs:

- The Community MA, which is issued by the provisions European Commission through the Centralized Procedure, based on the opinion of our amended the Committee for Medicinal Products for Human Use, or CHMP, of the EMA and restated certificate which is valid throughout the entire territory of incorporation which govern our pre-business combination behavior more easily than some other special purpose acquisition companies, the EEA. The Centralized Procedure is mandatory for certain types of products, such as biotechnology medicinal products, orphan medicinal products, and this may increase our ability to complete medicinal products indicated for the treatment of AIDS, cancer, neurodegenerative disorders, diabetes, auto-immune and viral diseases. The Centralized Procedure is optional for products containing a business combination with which you do new active substance not agree. Our stockholders may pursue remedies against us for any breach of our amended and restated certificate of incorporation.

  Our sponsor, executive officers and directors have agreed, pursuant to written agreements with us, that they will not propose any amendment to our amended and restated certificate of incorporation to modify the substance or timing of our obligation to redeem 100% of our public shares if we do not complete our initial business combination by August 11, 2023 or with respect to any other material provisions relating to stockholders' rights or pre-initial business combination activity, unless we provide our public stockholders with the opportunity to redeem their Class A Common Stock upon approval of any such amendment at a per-share price, payable in cash, equal to the aggregate amount then on deposit yet authorized in the trust account, including EEA or for products that constitute a significant therapeutic, scientific or technical innovation or which are in the interest earned of public health in the European Union. Under the Centralized Procedure, the maximum timeframe for the evaluation of a marketing authorization application is 210 days (excluding clock stops, when additional written or oral information is to be provided by the applicant in response to questionsaskedbytheCHMP).AcceleratedevaluationmightbegrantedbytheCHMPinexceptional cases when the authorization of a medicinal product is of major interest from the point of viewof publichealthandinparticularfromtheviewpointoftherapeuticinnovation.Undertheaccelerated procedure,thestandard210-dayreviewperiodisreducedto150days.

- National MAs, which are issued by the competent authorities of the Member States of the EEA and only cover their respective territory, are available for products not falling within the mandatory scope of the Centralized Procedure. Where a product has already been authorized for marketing in a Member State of the EEA, this National MA can be recognized in other Member States through the Mutual Recognition Procedure. If the product has not received a National MA in any Member State at the time of application, it can be approved simultaneously in various Member States through the Decentralized Procedure.

Under the above described procedures, before granting the MA, the EMA or the competent authorities of the Member States of the EEA make an assessment of the risk-benefit balance of the product on the funds held basis of scientific criteria concerning its quality, safety and efficacy.

Data and marketing exclusivity. In the EEA, new products authorized for marketing, or reference products, qualify for eight years of data exclusivity and an additional two years of market exclusivity upon marketing authorization. The data exclusivity period prevents generic or biosimilar applicants from relying on the preclinical and clinical study data contained in the trust account (which interest shall be net dossier of taxes payable), divided by the number of then outstanding public shares. Our stockholders are not parties to, reference product when applying for a generic or third-party beneficiaries of, these agreements and, as a result, will not have the ability to pursue remedies against our sponsor, executive officers and directors for any breach of these agreements. As a result, biosimilar marketing authorization in the event European Union during a period of eight years from the date on which the reference product was first authorized in the European Union. The market exclusivity period prevents a breach, our stockholders would need to pursue a stockholder derivative action, subject to applicable law.

Certain agreements related to our successful generic or biosimilar applicant from commercializing its product in the European Union until 10 years have elapsed from the initial public offering may be amended without stockholder approval.

Each authorization of the agreements related reference product in the European Union. The 10-year market exclusivity period can be extended to our initial public offering to which we are a party, other than maximum of eleven years if, during the warrant agreement and first eight years of those 10 years, the investment management trust agreement, may be amended without stockholder approval. Such agreements are: the underwriting agreement; the letter agreement among us and our initial stockholders, sponsor, officers and directors; the registration rights agreement among us and our initial stockholders; the private placement warrants purchase agreement between us and our sponsor; and the administrative services agreement among us, our sponsor and marketing authorization holder obtains an affiliate of our sponsor. These agreements contain various provisions that our public stockholders might deem to be material. For example, our letter agreement and the underwriting agreement contain certain lock-up provisions with respect to the founder shares, private placement warrants and other securities held by our initial stockholders, sponsor, officers and directors. Amendments to such agreements would require the consent of the applicable parties thereto and would need to be approved by our board of directors, which may do so authorization for a variety of reasons, including to facilitate our initial business combination. While we do not expect our board of directors to approve any amendment to any of these agreements prior to our initial business combination, it may be possible that our board of directors, in exercising its business judgment and subject to its fiduciary duties, chooses to approve one or more amendments new therapeutic indications which, during the scientific evaluation prior to any such agreement. Any amendment entered into their authorization, are held to bring a significant clinical benefit in connection comparison with existing therapies.

Pediatric investigation plan. In the EEA, marketing authorization applications for new medicinal products not authorized have to include the results of studies conducted in the pediatric population, in compliance with a pediatric investigation plan, or PIP, agreed with the consummation EMA's Pediatric Committee, or PDCO. The PIP sets out the timing and measures proposed to generate data to support a pediatric indication of our initial business combination will be disclosed the drug for which marketing authorization is being sought. The PDCO can grant a deferral of the obligation to implement some or all of the measures of the PIP until there are sufficient data to demonstrate the efficacy and safety of the product in our proxy materials or tender offer documents, as applicable, related to such initial business combination, and any other material amendment to any of our material agreements will be disclosed in a filing with the SEC. Any such amendments would not require approval from our stockholders, may result in the completion of our initial business combination that may not otherwise have been possible, and may have an adverse effect on the value of an investment in our securities. For example, amendments to the lock-up provision discussed above may result in our initial stockholders selling their securities earlier than they would otherwise be permitted, which may have an adverse effect on the price of our securities.

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We may adults. Further, the obligation to provide pediatric clinical study data can be unable to obtain additional financing to complete our initial business combination or to fund waived by the operations and growth of a target business (including AEON), which could compel us to restructure or abandon a particular business combination.

We have entered into a business combination agreement with AEON, but to PDCO when the extent that business combination data is not consummated, we intend needed or appropriate because the product is likely to target businesses with enterprise values that are greater than we could acquire with be ineffective or unsafe in children, the net proceeds of our initial public offering and disease or condition for which the sale product is intended occurs only in adult populations, or when the product does not represent a significant therapeutic benefit over existing treatments for pediatric patients. Once the MA is obtained in all Member States of the private placement warrants. As a result, if the cash portion of the purchase price exceeds the amount available from the trust account, net of amounts needed to satisfy any redemption by public stockholders, we may be required to seek additional financing to complete such proposed initial business combination (as is the case for our proposed initial business combination with AEON). We cannot assure you that such financing will be available on acceptable terms, if at all. To the extent that additional financing proves to be unavailable when needed to complete our initial business combination, we would be compelled to either restructure the transaction or abandon that particular business combination European Union and seek an alternative target business candidate. Further, we may be required to obtain additional financing in connection with the closing of our initial business combination for general corporate purposes, including for maintenance or expansion of operations of the post-transaction businesses, the payment of principal or interest due on indebtedness incurred in completing our initial business combination, or to fund the purchase of other companies. If we study results are unable to complete our initial business combination, our public stockholders may only receive their pro rata portion of the funds included in the trust account that are available product information, even when negative, the product is eligible for distribution to public stockholders, and our warrants will expire worthless. In addition, even if we do not need additional financing to complete our initial business combination, we may require such financing to fund the operations or growth six months' supplementary protection certificate extension.

Clinicalstudies.Clinical studies of the target business. The failure to secure additional financing could have a material adverse effect on the continued development or growth of the target business. None of our officers, directors or stockholders is required to provide any financing to us in connection with or after our initial business combination.

Our initial stockholders control a substantial interest in us and thus may exert a substantial influence on actions requiring a stockholder vote, potentially in a manner that you do not support.

Our initial stockholders own 20% of our issued and outstanding common stock. Accordingly, they may exert a substantial influence on actions requiring a stockholder vote, potentially in a manner that you do not support, including amendments to our amended and restated certificate of incorporation. If our initial stockholders purchase any additional Class A Common Stock medicinal products in the aftermarket or in privately negotiated transactions, this would increase their control. Neither our initial stockholders nor, to our knowledge, any of our officers or directors, have any current intention to purchase additional securities, other than as disclosed in this Annual Report. Factors that would European Union must be considered in making such additional purchases would include consideration of the current trading price of our Class A Common Stock. In addition, our board of directors, whose members were elected by our sponsor, is and will be divided into three classes, each of which will generally serve for a terms for three years with only one class of directors being elected in each year. We may not hold an annual meeting of stockholders to elect new directors prior to the completion of our initial business combination, in which case all of the current directors will continue in office until at least the completion of the business combination. If there is an annual meeting, as a consequence of our "staggered" board of directors, only a minority of the board of directors will be considered for election and our initial stockholders, because of their ownership position, will have considerable influence regarding the outcome. Accordingly, our initial stockholders will continue to exert control at least until the completion of our initial business combination.

Because we must furnish our stockholders with target business financial statements, we may lose the ability to complete an otherwise advantageous initial business combination with some prospective target businesses.

The federal proxy rules require that the proxy statement with respect to the vote on an initial business combination include historical and pro forma financial statement disclosure. We will include the same financial statement disclosure in connection with our tender offer documents, whether or not they are required under the tender offer rules. These financial statements may be required to be prepared conducted in accordance with European Union and national regulations and the International Conference on Harmonization, or ICH, guidelines on GCPs. Additional GCP guidelines from the European Commission, focusing in particular on traceability, apply to clinical studies of advanced therapy medicinal products. If the sponsor of the clinical study

is not established within the European Union, it must appoint an entity within the European Union to act as its legal representative. The sponsor must take out a clinical study insurance policy, and in most European Union countries, the sponsor is liable to provide 'no fault' compensation to any study subject injured in the clinical study.

Prior to commencing a clinical study, the sponsor must obtain a clinical trial authorization from the competent authority, and a positive opinion from an independent ethics committee. The application for a clinical trial authorization must include, among other things, a copy of the study protocol and an investigational medicinal product dossier containing information about the manufacture and quality of the medicinal product under investigation. Currently, clinical trial authorization applications must be reconciled submitted to accounting principles generally accepted the competent authority in each EU Member State in which the study will be conducted.

Under the new Regulation on Clinical Trials, which took effect in 2022, there is now in place a centralized application procedure where one national authority takes the lead in reviewing the application and the other national authorities have only a limited involvement. Any substantial changes to the study protocol or other information submitted with the clinical trial applications must be notified to or approved by the relevant competent authorities and ethics committees. Medicines used in clinical studies must be manufactured in accordance with cGMP.

The European Union requirements for research and investigation, approval, and post-market activities, may vary substantially from United States requirements. As such, approval in one jurisdiction is not predictive of potential for approval in the other jurisdiction.

Product Approval Process Outside the United States and Europe

In addition to regulations in the United States and European Union, we will be subject to a variety of America ("U.S. GAAP"), regulations in other jurisdictions governing manufacturing, clinical studies, commercial sales, and distribution of our future products. Whether or international financial reporting standards as issued not we obtain FDA approval or MA approval for a product candidate, we must obtain approval of the product by the International Accounting Standards Board ("IFRS"), depending on the circumstances comparable regulatory authorities of foreign countries before commencing clinical studies or marketing in those countries. The approval process varies from country to country, and the historical financial statements time may be longer or shorter than that required for FDA approval or MA approval. The requirements governing the conduct of clinical studies, product licensing, post-market activities and obligations, enforcement mechanisms, penalties for violation in the event of noncompliance, pricing, and reimbursement vary greatly from country to country.

United States Healthcare Laws and Compliance Requirements

Pharmaceutical companies are subject to additional healthcare regulation and enforcement by the federal government and by authorities in the states and foreign jurisdictions in which they conduct their business that may constrain the financial arrangements and relationships through which we research, as well as sell, market, and distribute any products for which we obtain marketing authorization. Such laws include, without limitation, state and federal anti-kickback, fraud and abuse, false claims, and transparency laws and regulations related to drug pricing and payments and other transfers of value made to physicians and other healthcare providers. If our operations are found to be audited in accordance with the standards violation of the Public Company Accounting Oversight Board (United States) ("PCAOB"). These financial statement requirements may limit the pool any of potential target businesses such laws or any other governmental regulations that apply, we may acquire because some targets be subject to penalties, including, without limitation, administrative, civil and criminal penalties, damages, fines, disgorgement, the curtailment or restructuring of operations, integrity oversight and reporting obligations, exclusion from participation in federal and state healthcare programs and responsible individuals may be unable subject to provide such financial statements in time for us to disclose such statements in accordance with federal proxy rules and complete our initial business combination within the prescribed time frame. imprisonment.

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Compliance obligations under Coverage, Pricing and Reimbursement

Significant uncertainty exists as to the Sarbanes-Oxley Act may make it more difficult for us to effectuate our initial business combination, require substantial financial coverage and management resources, and increase the time and costs of completing an initial business combination.

Section 404 of the Sarbanes-Oxley Act requires that we evaluate and report on our system of internal controls beginning with our Annual Report on Form 10-K for the year ending December 31, 2022. Only in the event we are deemed to be a large accelerated filer or an accelerated filer, and no longer qualify as an emerging growth company, will we be required to comply with the independent registered public accounting firm attestation requirement on our internal control over financial reporting. Further, for as long as we remain an emerging growth company, we will not be required to comply with the independent registered public accounting firm attestation requirement on our internal control over financial reporting. The fact that we are a blank check company makes compliance with the requirements of the Sarbanes-Oxley Act particularly burdensome on us as compared to other public companies because a target business with which we seek to complete our initial business combination (including AEON) may not be in compliance with the provisions of the Sarbanes-Oxley Act regarding adequacy of its internal controls. The development of the internal control reimbursement status of any such entity to achieve compliance with the Sarbanes-Oxley Act may increase the time and costs necessary to complete any such business combination.

Risks Relating to the Post-Business Combination Company

Subsequent to our completion of our initial business combination, we may be required to take write-downs or write-offs, restructuring and impairment or other charges that could have a significant negative effect on our financial condition, results of operations and the price of our securities, which could cause you to lose some or all of your investment.

Even if we conduct extensive due diligence on a target business with which we combine, we cannot assure you that this diligence will identify all material issues that may be present with a particular target business (including AEON), that it would be possible to uncover all material issues through a customary amount of due diligence, or that factors outside of the target business and outside of our control will not later arise. As a result of these factors, we may be forced to later write-down or write-off assets, restructure our operations, or incur impairment or other charges that could result in our reporting losses. Even if our due diligence successfully identifies certain risks, unexpected risks may arise and previously known risks may materialize in a manner not consistent with our preliminary risk analysis. Even though these charges may be non-cash items and not have an immediate impact on our liquidity, the fact that we report charges of this nature could contribute to negative market perceptions about us or our securities. In addition, charges of this nature may cause us to violate net worth or other covenants to product candidate for which we may seek regulatory approval. Sales in the United States will depend, in part, on the availability of sufficient coverage and adequate reimbursement from third-party payors, which include government health programs such as Medicare, Medicaid, the 340B Drug Discount program, TRICARE, and the Veterans Administration, as well as managed care organizations and private health insurers. Prices at which we or our customers seek reimbursement for our product candidates can be subject to challenge, reduction or denial by third-party payors. Factors payors consider in determining reimbursement are based on whether the product is:

- **a covered benefit under its healthplan;**
- **safe,effectiveandmedicallynecessary;**
- **appropriate for the specificpatient;**
- **cost-effective;and**
- **neither experimental norinvestigational.**

The process for determining whether a third-party payor will provide coverage for a product is typically separate from the process for setting the reimbursement rate that the payor will pay for the product. A third-partypayor's decisiontoprovidecoverageforaproductdoesnotimplythatanadequatereimbursement rate will be available. Additionally, in the United States there is no uniform policy among payors for coverage or reimbursement. Third-party payors often rely upon Medicare coverage policy and payment limitations in setting their own coverage and reimbursement policies, but also have their own methods and approvalprocesses.Therefore,coverageandreimbursementforproductscandiffersignificantlyfrompayorto payor. If coverage and adequate reimbursement are not available, or are available only at limited levels, successful commercialization of, and obtaining a satisfactory financial return on, any product we develop may not bepossible.

Third-party payors are increasingly challenging the price and examining the medical necessity and cost-effectiveness of medical products and services, in addition to their safety and efficacy. In order to obtain coverage and reimbursement for any

product that might be approved for marketing, we may need to conduct expensive studies in order to demonstrate the medical necessity and cost-effectiveness of any products, which would be in addition to the costs expended to obtain regulatory approvals. Third-party payorsmaynotconsiderourproductcandidatestobemedicallynecessaryorcost-effectivecomparedtoother available therapies or the rebate percentages required to secure favorable coverage may not yield an adequate margin over cost or may not enable us to maintain price levels sufficient to realize an appropriate return on our investment in drugdevelopment.

Healthcare Reform

In the United States and some foreign jurisdictions, there have been, and continue to be, several legislative and regulatory changes and proposed changes regarding the healthcare system that could prevent or delay marketing approval of product candidates, restrict or regulate post-approval activities, and affect the ability to profitably sell product candidates for which marketing approval is obtained. Among policy makers and payors in the United States and elsewhere, there is significant interest in promoting changes in healthcare systems with the stated goals of containing healthcare costs, improving quality and/or expanding access. The ACA, enacted in March 2010, has substantially changed healthcare financing and delivery by both governmental and private insurers. Among other things, the ACA included the following provisions:

- an annual, nondeductible fee on any entity that manufactures or imports certain specified branded prescription drugs and biologic agents apportioned among these entities according to their market share in some government healthcareprograms;
- an increase in the statutory minimum rebates a manufacturer must pay under the Medicaid Drug Rebate Program;
- a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 50% point-of-sale discounts, which through subsequent legislative amendments, were increased to 70%, starting in 2019, off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period, as a result of assuming pre-existing debt held by a target business or by virtue of our obtaining debt financing to partially finance condition for the initial business combination or thereafter. Accordingly, any stockholders or warrant holders who choose to remain stockholders or warrant holders following the business combination could suffer a reduction in the value of their securities. Such stockholders or warrant holders are unlikely to have a remedy for such reduction in value unless they are able to successfully claim that the reduction was due to the breach by our officers or directors of a duty of care or other fiduciary duty owed to them, or if they are able to successfully bring a private claim under securities laws that the proxy materials or tender offer documents, as applicable, relating to the business combination contained an actionable material misstatement or material omission.

  Our ability to successfully effect our initial business combination and manufacturers' outpatient drugs to be successful thereafter will be dependent upon the efforts of our key personnel, some of whom may join us following our initial business combination. The loss of key personnel could negatively impact the operations and profitability of our post-combination business. covered under Medicare Part D;

  Our ability to successfully effect our initial business combination is dependent upon the efforts of our key personnel. The role of our key personnel in the target business (including, if the business combination with AEON is consummated, AEON), however, cannot presently be ascertained. Although some of our key personnel may remain with the target business in senior management or advisory positions following our initial business combination, it is likely that some or all of the management of the target business will remain in place. While we intend to closely scrutinize any individuals we engage after our initial business combination, we cannot assure you that our assessment of these individuals will prove to be correct. These individuals may be unfamiliar with the requirements of operating a company regulated by the SEC, which could cause us to have to expend time and resources helping them become familiar with such requirements.

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Our key personnel may negotiate employment or consulting agreements with a target business

- extension of manufacturers' Medicaid rebate liability to covered drugs dispensed to individuals who are enrolled in connection with a particular business combination, and a particular business combination may be conditioned on the retention or resignation Medicaid managed care organizations;
- expansion of such key personnel. These agreements may provide eligibility criteria for them to receive compensation following our initial business combination and as a result, may cause them to have conflicts of interest in determining whether a particular business combination is the most advantageous. Medicaid programs;

Our key personnel may be able to remain with our company after the completion of our initial business combination only if they are able to negotiate employment or consulting agreements in connection with the business combination. Such negotiations would take place simultaneously with the negotiation

- expansion of the business combination entities eligible for discounts under the 340B Drug Discount Program;
- a Patient-Centered Outcomes Research Institute to oversee, identify priorities in, and could provide conduct comparative clinical effectiveness research, along with funding for such individuals research;
- a methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs that are inhaled, infused, instilled, implanted, or injected; and
- a licensure framework for follow-on biological products.

Since its enactment, there have been numerous judicial, administrative, executive, and legislative challenges to receive compensation certain aspects of the ACA, and we expect there will be additional challenges and amendments to the ACA in the form of cash payments and/or our securities for services they would render to us after the completion future. Various portions of the business combination. Such negotiations ACA are undergoing or have undergone legal and constitutional challenges in the United States Supreme Court and members of Congress have introduced several pieces of legislation aimed at significantly revising or repealing the ACA. The implementation of the ACA is ongoing, the law appears likely to continue the downward pressure on pharmaceutical pricing, especially under the Medicare program, and may also could make such key personnel's retention or resignation a condition increase our regulatory burdens and operating costs. Litigation and legislation related to any such agreement. The personal the ACA are likely to continue, with unpredictable and financial interests uncertain results.

In addition, other legislative changes have been proposed and adopted since the Affordable Care Act was enacted. On August 2, 2011, the Budget Control Act of such individuals may influence their motivation in identifying 2011 was signed into law, which, among other things, included aggregate reductions to Medicare payments to providers of 2% per fiscal year, which went into effect on April 1, 2013 and, selecting a target business, subject to their fiduciary duties under Delaware law.

We may have a limited ability to assess the management of a prospective target business and, as a result, may effect our initial business combination with a target business whose management may not have the skills, qualifications or abilities to manage a public company.

When evaluating the desirability of effecting our initial business combination with a prospective target business, our ability to assess the target business's management may be limited due to a lack subsequent legislative amendments to the statute will remain in effect through the first 6 months of time, resources or information. Our assessment of the capabilities of the target business's management, therefore, may prove to be incorrect and such management may lack the skills, qualifications or abilities we suspected. Should the target business's management not possess the skills, qualifications or abilities necessary to manage a public company, the operations and profitability of the post-combination business may be negatively impacted. Accordingly, any stockholders or warrant holders who choose to remain stockholders or warrant holders following the business combination could suffer a reduction in the value of their securities. Such stockholders or warrant holders are unlikely to have a remedy for such reduction in value 2032 unless they are able to successfully claim that the reduction was additional Congressional action is taken. These reductions were suspended from May 1, 2020 through March 31, 2022 due to the breach COVID-19 pandemic, and phased-in again on April 1, 2022 (between April 1, 2022 and June 30, 2022, a 1% cut took effect, with a 2% cut in place for the remainder of 2022). The Consolidated Appropriations Act of 2023 partially mitigated more severe Medicare pay cuts previously scheduled to begin on January 1, 2023; physician payment rates were reduced by our officers or directors 2% in 2023, and were reduced by 3.4% in 2024. On January 2, 2013, the American Taxpayer Relief Act of 2012 was signed into law, which, among other things, reduced Medicare payments to several providers, including hospitals, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years.

Moreover, payment methodologies may be subject to changes in healthcare legislation and regulatory initiatives. For example, CMS may develop new payment and delivery models, such as bundled payment models. In addition, recently there has been heightened governmental scrutiny over the manner in which manufacturers set prices for their commercial products, which has resulted in several Congressional inquiries and proposed and enacted state and federal legislation designed to, among other things, bring more transparency to product pricing, review the relationship between pricing and manufacturer patient programs and reform government program reimbursement methodologies for pharmaceutical products. Notably, on August 16, 2022, President Biden signed the "Inflation Reduction Act of 2022" (IRA) into law, incorporating many key provisions of the "Build Back Better Act". Prescription drug price reform is a duty focal point of care or other fiduciary duty owed this landmark legislation that incorporates many proposals advanced over the last decade to them, or if they are able overhaul drug costs under the Medicare program. Key provisions of the law permit CMS to successfully bring negotiate Part D drug prices for an increasing number of drugs over a private claim five-year period, replace the Medicare Coverage Gap Discount Program with a new Manufacturer Refund Program for drugs not subject to negotiation, and redesign the Part D benefit to eliminate the coverage gap and realign the cost responsibility in the initial and catastrophic phases of coverage among payors, manufacturers, Government and patients (capping out-of-pocket costs at US$2,000 starting in 2025). In addition, the law penalizes drug manufacturers for price increases that outpace the rate of inflation (for products under securities laws that the proxy solicitation or tender offer materials, as applicable, relating to the business combination contained an actionable material misstatement or material omission.

The officers and directors of an acquisition candidate may resign upon completion of our initial business combination. The loss of a business combination target's key personnel could negatively impact the operations and profitability of our post-combination business. Medicare Parts D/B).

The role IRA follows years of an acquisition candidate's key personnel upon attempts by the completion of our initial business combination cannot be ascertained federal government to reform and/or control drug pricing. For example, at this time. Although we contemplate the federal level, the previous administration's budget proposal for fiscal year 2021 included a US$135 billion allowance to support legislative proposals seeking to reduce drug prices, increase competition, lower out-of-pocket drug costs for patients and increase patient access to lower-cost generic and biosimilar drugs. The Biden administration has indicated that certain members of an acquisition candidate's management team it will remain associated with the acquisition candidate (including AEON's management team) following our initial business combination, it is possible that members of the management of an acquisition candidate will not wish continue to remain seek new legislative and/or administrative measures to control drug costs. Any reduction in place. reimbursement from Medicare and other government programs may result in a similar reduction in payments from private payors.

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Our management may not be able At the state level, legislatures have increasingly passed legislation and implemented regulations designed to maintain control of pharmaceutical product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing.

Additionally, on May 30, 2018, the Right to Try Act was signed into law. The law, among other things, provides a target business after our initial business combination. We cannot provide assurance federal framework for certain patients to access certain investigational new drug products that upon loss of control of have completed a target business, new management will possess the skills, qualifications or abilities necessary to profitably operate such business.

We may structure our initial business combination so Phase 1 clinical study and that the post-transaction company are undergoing investigation for FDA approval. Under certain circumstances, eligible patients can seek treatment without enrolling in which our public stockholders own shares will own less than 100% of the equity interests or assets of a target business, but we will only complete such business combination if the post-transaction company owns or acquires 50% or more of the outstanding voting securities of the target or otherwise acquires a controlling interest in the target sufficient for us not to be required to register as an investment company clinical studies and without obtaining FDA permission under the Investment

Company Act. We will not consider any transaction that does not meet such criteria. Even if the post-transaction company owns 50% or more of the voting securities of the target, our stockholders prior FDA expanded access program. There is no obligation for a drug manufacturer to the business combination may collectively own a minority interest in the post business combination company, depending on valuations ascribed make its drug products available to the target and us in the business combination. For example, we could pursue a transaction in which we issue a substantial number of new shares of Class A Common Stock in exchange for all of the outstanding capital stock of a target, or issue a substantial number of new shares to third parties in connection with financing our initial business combination (as is the case, in each case, for our proposed initial business combination with AEON). In these cases, we would acquire a 100% interest in the target. However, eligible patients as a result of the issuance Right to Try Act.

Another potential area of further healthcare reform is the 340B Drug Pricing Program, which was created by Congress in 1992 to "stretch scarce Federal resources as far as possible, reaching more eligible patients and providing more comprehensive services." Drug manufacturers are incentivized to participate in this program as any manufacturer who wants their medication covered by Medicaid must also provide a substantial number discount to 340B covered entities, which includes a variety of new shares of Class A Common Stock, our stockholders immediately prior healthcare entities that must abide by certain eligibility criteria in order to such transaction could own less than participate. This program requires drug manufacturers to provide outpatient drugs to eligible entities at a majority of our outstanding Class A Common Stock subsequent to such transaction. In addition, other minority stockholders may subsequently combine their holdings resulting significantly discounted price which can result in a single person savings between 20-50% or group obtaining a larger share more.

Growth of the company's shares than we initially acquired. Accordingly, this may make it 340B program has continued to accelerate as more likely that our management will not be able to maintain control entities participate in the program and, thus, more patients qualify for 340B drugs. The value of the target business.

Risks Relating drug purchases by covered entities through the 340B program has grown exponentially year-over-year, with 2022 data indicating that discounted drugs purchased through the 340B program reached approximately $53.7 billion annually. In the last decade drug manufacturers have opposed the 340B program publicly, as the program has experienced significant growth which corresponds to our Management Teamgreater lost revenue potential for the manufacturers. There is a high degree of legal, legislative and public scrutiny as manufacturers have challenged some aggressive covered entity practices in litigation (with mixed success) and legislative reform proposals seek great transparency and accountability by the participating entities. Nonetheless, there is general industry consensus that the program will remain available in the long-term and there is a reasonable expectation that it will continue to have a material impact on the financial performance of manufacturers as program growth further erodes manufacturer revenue.

Our Chief Executive Officer Data Privacy and Chairman of our Board of Directors Security Laws and certain of our directors Regulations

We are party to non-competition agreements that may limit the types of companies that we can target for an initial business combination.

Bob Palmisano, our Chief Executive Officer and Chairman of our Board of Directors and an investor in our sponsor, and certain of our directors (the "Restricted Parties") are also subject to agreements (the "Non-Competition Agreements") with Stryker (as successor-in- interest data privacy and security regulation by the federal government, states and non- United States jurisdictions in which we conduct our business. For example, HIPAA, as amended by HITECH, and its implementing regulations, imposes certain requirements relating to Wright Medical, a global medical device company focused on extremities the privacy, security and select biologics products) that contains non-competition and non-solicitation provisions. transmission of individually identifiable health information. Among other things, the Non-Competition Agreements preclude the Restricted Parties from (i) being employed by, HITECH makes HIPAA's privacy and security standards directly applicable to "business associates," those independent contractors or agents of covered entities that create, receive, maintain, transmit, or obtain protected health information in connection with providing consultation services to, or engaging or participating as an officer, director, investor, shareholder or otherwise (other than through passive ownership of 1% or less of the outstanding voting securities) of any company that engages in a competitive business with Wright Medical anywhere in the world until November 20, 2021, and (ii) soliciting any person or entity, with respect to any product or service competitive with any products or services of Wright Medical, from whom such Restricted Party or his or her subordinates solicited business or submitted proposals to perform services on behalf of Wright Medical at any time during a covered entity. HITECH also increased the three years preceding his or her termination until November 20, 2022.

It is our intention, civil and the intention of each Restricted Party, to observe all requirements of the Non-Competition Agreements and so our prospects for an initial business combination criminal penalties that may be limited, make us a less attractive buyer imposed against covered entities, business associates and possibly other persons and gave state attorneys general new authority to file civil actions for damages or injunctions in federal courts to enforce the federal HIPAA laws and seek attorney's fees and costs associated with pursuing federal civil actions. In addition, state and non-United States laws govern the privacy and security of health and other personal information in certain target companies, or limit any Restricted Party's role circumstances, many of which differ from each other in a post initial business combination company. Further, any potential dispute regarding our business or such non-competition provisions could be time consuming, costly significant ways and distract management's focus from locating suitable acquisition candidates and operating our business.

We may not have sufficient funds to satisfy indemnification claims the same effect, thus complicating compliance efforts.

Because of the breadth of these laws and the narrowness of available statutory and regulatory exemptions, it is possible that some of our directors business activities now and executive officers.

We have agreed in the future could be subject to indemnify challenge under one or more of such laws. If our officers and directors operations are found to the fullest extent permitted by law. However, our officers and directors have agreed to waive any right, title, interest or claim be in violation of any kind in or to any monies in the trust account and to not seek recourse against the trust account for any reason whatsoever. Accordingly, any indemnification provided will be able to be satisfied by us only if (i) we have sufficient funds outside of the trust account federal and state laws described above or (ii) any other governmental regulations that apply to us, we consummate an initial may be subject to penalties, including criminal and significant civil monetary penalties, damages, fines, imprisonment, exclusion of products from reimbursement under government programs, and the curtailment or restructuring of our operations, any of which could adversely affect our ability to operate our business combination. Our obligation to indemnify our officers and directors may discourage stockholders from bringing a lawsuit against our officers or directors for breach of their fiduciary duty. These provisions also may have the effect of reducing the likelihood of derivative litigation against our officers and directors, even though such an action, if successful, might otherwise benefit us and our stockholders. Furthermore, results of operations. To the extent that any of our products are sold in a stockholder's investment foreign country, we may be adversely affected subject to the extent we pay the costs similar foreign laws and regulations, which may include, for instance, applicable post-marketing requirements, including safety surveillance, anti-fraud and abuse laws and implementation of settlement corporate compliance programs and damage awards against our officers and directors pursuant reporting of payments or transfers of value to these indemnification provisions. healthcare professionals.

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Past performance by our management team and their affiliates may not be indicative of future performance of an investment in us.

Information regarding performance by, or businesses For more on the risks associated with data privacy and security, please see "*Risk Factors — Risks Related to Government Regulation — We are subject to stringent and often unsettled privacy laws, information security laws, regulations, policies and contractual obligations related to data privacy and securityand changes in such laws, regulations, policies and contractual obligations could adversely affect our management team business.*"

Employees

As of December 31, 2023, we had ten employees. Our employees are primarily located in Irvine, California, although we also have employees who work remotely from Northern California. None of our employees are represented by a labor union or businesses associated covered under a collective bargaining agreement, and we believe our relations with them our employees are good.

Facilities

Our principal executive office is presented located at 5 Park Plaza, Suite 1750, Irvine, California 92614. In September 2021, we entered into a lease agreement for informational purposes only. Past performance by 8,000 square feet of office space located at this facility, with a lease term of 36 months beginning in December 2021 and ending in December 2024. We may look for additional or alternate space for our management team is not operations, and we believe that suitable additional or alternative space will be available in the future on commercially reasonable terms.

Legal Proceedings

On September 18, 2023, Odeon Capital Group LLC ("Odeon") filed a guarantee either (i) lawsuit against us in the Supreme Court of success with respect to any business combination we may consummate (including the proposed initial business combination with AEON) or (ii) State of New York, alleging that we will be able failed to locate pay Odeon's deferred underwriting fee of $1.25 million. Odeon claims that it served as the underwriter for Priveterra Acquisition Corp., the special purpose acquisition company with which Old AEON merged with and into in July 2023. Odeon seeks monetary damages for the full amount of its claimed underwriting fee, punitive damages, attorneys' fees and other amounts. On November 16, 2023, we filed a suitable candidate for our initial business combination. You should not rely on the historical record of the performance of our management team's or businesses associated with them as indicative of our future performance of an investment motion to dismiss certain claims included in us or the returns we will, or is likely to, generate going forward. Odeon's complaint.

Although we intend to focus on identifying companies focusing on the medical technology sector, we will, if our proposed business combination with AEON is not consummated,Item 1A. Risk Factors

RISK FACTORS

You should carefully consider a business combination outside of our management's areas of expertise if a business combination candidate is presented to us and we determine that such candidate offers an attractive business combination opportunity for our company. Although our management will endeavor to evaluate the risks inherent and uncertainties described below and the other information in any particular business combination candidate, we cannot assure you that we will adequately ascertain or assess all of the significant risk factors. We also cannot assure you that this report before making an investment in our Class A Common Stock will not ultimately prove to common stock or warrants. Our business, financial condition, results of operations, or prospects could be less favorable to investors in our initial public offering than materially and adversely affected if any of these risks occurs, and as a direct investment, if an opportunity were available, in a business combination candidate. In result, the event we elect to pursue a business combination outside of the areas market price of our management's expertise, common stock and warrants could decline and you could lose all or part of your investment. This report also contains forward-looking statements that involve risks and uncertainties. See "Cautionary Statement Regarding Forward-Looking Statements." Our actual results could differ materially and adversely from those anticipated in these forward-looking statements as a result of certain factors, including those set forthbelow.

Risks Related to Our Business Operations and Financial Position

We have a limited operating history and have incurred significant losses since our management's expertise may not be directly applicable to its evaluation or operation, inception and the information contained in this Annual Report regarding the areas of our management's expertise would not be relevant to an understanding of the business anticipate that we elect will continue to acquire. As a result, our management incur losses for the foreseeable future. If we ever achieve profitability, we may not be able to ascertain sustain it.

We are a clinical stage biopharmaceutical company with a limited operating history. Pharmaceutical product development is a highly speculative undertaking and involves a substantial degree of risk. Old AEON was originally incorporated in 2012 but did not begin focusing its efforts and financial resources on the clinical development and regulatory approval of ABP-450 for therapeutic indications until 2019. The operating history upon which investors must evaluate our business and prospects is limited. Consequently, any predictions about our future success, performance or assess adequately all viability may not be as accurate as they could be if we had a longer operating history or a history of commercial operations. In addition, as an organization, we have limited experience and have not yet demonstrated an ability to successfully overcome many of the relevant risk factors. Accordingly, any stockholders who choose to remain stockholders following our initial business combination could suffer a reduction risks and uncertainties frequently encountered by companies in the value of their shares. Such stockholders are unlikely to have a remedy for such reduction in value.

We are dependent upon our executive officers and directors and their loss could adversely affect our ability to operate.

Our operations are dependent upon a relatively small group of individuals and, in particular, our executive officers and directors. We believe that our success depends on the continued service of our officers and directors, at least until biopharmaceutical market. To date, we have completed our initial business combination. In addition, our executive officers and directors are not required obtained any regulatory approvals for ABP-450 or generated any revenue from product sales relating to commit any specified amount therapeutic uses of time to our affairs and, accordingly, will have conflicts of interest in allocating their time among various business activities, including identifying potential business combinations and monitoring the related due diligence. We do not have an employment agreement with, or key-man insurance on the life of, any of our directors or executive officers. The unexpected loss of the services of one or more of our directors or executive officers could have a detrimental effect on us.

Our executive officers and directors will allocate their time to other businesses thereby causing conflicts of interest in their determination as to how much time to devote to our affairs. This conflict of interest could have a negative impact on our ability to complete our initial business combination.

Our executive officers and directors are not required to, and will not, commit their full time to our affairs, which may result in a conflict of interest in allocating their time between our operations and our search for a business combination and their other businesses. We do not intend to have any full-time employees prior to the completion of our initial business combination. Certain of our executive officers are engaged in several other business endeavors for which he may be entitled to substantial compensation, and our executive officers are not obligated to contribute any specific number of hours per week to our affairs. Our independent directors also serve as officers and board members for other entities. If our executive officers' and directors' other business affairs require them to devote substantial amounts of time to such affairs in excess of their current commitment levels, it could limit their ability to devote time to our affairs which may have a negative impact on our ability to complete our initial business combination. For a complete discussion of our executive officers' and directors' other business affairs, please see "Item 10. Directors, Executive Officers and Corporate Governance." ABP-450.

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Certain Because we have not yet received regulatory approvals, we are not permitted to market ABP-450 for therapeutic use in the United States or in any other territory, and as such, we have not generated any revenue from sales of ABP-450 to date. We have recorded losses from operations of $29.6 million, income of $29.6 million and loss of $48.4 million for the periods January 1, 2023 to July 21, 2023 (Predecessor), July 22, 2023 to December 31, 2023 (Successor) and for the year ended December 31, 2022, respectively; and we have net losses of $60.7 million, income of $24.0 million and loss of $52.6 million for the periods January 1, 2023 to July 21, 2023 (Predecessor), July 22, 2023 to December 31, 2023 (Successor) and for the year ended December 31, 2022, respectively. As a result of our officers ongoing losses, as of December 31, 2023 (Successor), we had an accumulated deficit of $473.6 million. We expect to continue to incur losses for the foreseeable future, and directors presently we anticipate these losses will increase as we continue to seek regulatory approval for, and begin to commercialize, ABP-450, if approved. We may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may adversely affect our business. The size of our future net losses will depend, in part, on the rate of future growth of our expenses and our ability to generate revenues. Our prior losses and expected future losses have had and any will continue to have an adverse effect on our stockholders' equity (deficit) and working capital. Because of them the numerous risks and uncertainties associated with drug development, we are unable to accurately predict the timing or amount of increased expenses, or when, if at all, we will be able to achieve profitability. Even if we achieve profitability in the future, may have additional, fiduciary or contractual obligations to other entities and, accordingly, may have conflicts of interest in determining to which entity a particular business opportunity should be presented.

Until we consummate our initial business combination, we are primarily engaged in the business of identifying and combining with one or more businesses. Certain of our officers and directors presently have, and any of them in the future may have, additional fiduciary or contractual obligations to other entities pursuant to which such officer or director is or will be

required to present a business combination opportunity to such entity. Accordingly, they may have conflicts of interest in determining to which entity a particular business opportunity should be presented. These conflicts may not be resolved able to sustain profitability in subsequent periods. Our prior losses, combined with expected future losses, may adversely affect the market price of common stock and our favor ability to raise capital and a potential target business may be presented continue operations.

Our management has concluded that uncertainties around our ability to another entity prior raise additional capital raise substantial doubt about our ability to its presentation to us. Our amended and restated certificate of incorporation provides that we renounce our interest in any corporate opportunity offered to any director or officer unless such opportunity is expressly offered to such person solely in his or her capacity continue as a director going concern. We will require additional financing to fund our future operations. Any failure to obtain additional capital when needed on acceptable terms, or officer of the company and such opportunity is one we are legally and contractually permitted to undertake and would otherwise be reasonable for at all, could force us to pursue, and to the extent the director delay, limit, reduce or officer is permitted to refer terminate our operations.

We have concluded that opportunity to us without violating another legal obligation. In addition, our sponsor and our officers and directors may sponsor or form other special purpose acquisition companies similar to ours or may pursue other business or investment ventures during the period in which we are seeking an initial business combination. Any such companies, businesses or ventures may present additional conflicts of interest in pursuing an initial business combination. However, we do not believe have sufficient cash to fund our operations and to meet our obligations as they become due within one year from the date that any such potential conflicts would materially affect our consolidated financial statements are issued and as a result, there is substantial doubt about our ability to complete continue as a going concern. Our ability to continue as a going concern is an issue raised as a result of ongoing operating losses and a lack of financing commitments to meet cash requirements, and is subject to our initial business combination.

For ability to generate a complete discussion profit or obtain appropriate financing from outside sources, including obtaining additional funding from the sale of our executive officers' securities or obtaining loans from third parties where possible. We will need to raise additional capital to fund our operations. We cannot assure you that we will be able to raise additional capital on commercially reasonable terms or at all. The perception that we may not be able to continue as a going concern may materially limit our ability to raise additional funds through the issuance of new debt or equity securities or otherwise and directors' no assurance can be given that sufficient funding will be available when needed to allow us to continue as a going concern. This perception may also make it more difficult to operate our business affiliations due to concerns about our ability to meet our contractual obligations. If we cannot continue as a going concern, we may have to liquidate our assets and may receive less than the value at which those assets are carried on our financial statements, and it is likely that our stockholders may lose some or all of their investment in us.

We expect that we will continue to expend substantial resources for the foreseeable future in order to complete development of and seek regulatory approval for ABP-450 for the treatment of migraine, cervical dystonia and gastroparesis, identify future potential therapeutic applications for ABP-450 and establish sales and marketing capabilities to commercialize ABP-450 across any approved indications.

We expect to have sufficient cash to fund our operating plan through June 2024, including $15 million of committed financing related to the issuance of certain Convertible Notes with Daewoong. For more information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources*." We have based these estimates, however, on assumptions that may prove to be wrong, and we could spend our available capital resources much faster than we currently expect or require more capital to fund our operations than we currently expect. Our future capital requirements depend on many factors, including:

- the timing of, and the potential conflicts costs involved in, obtaining regulatory approvals for ABP-450 in our proposed therapeuticindications;
- the scope, progress, results and costs of interest that you should be aware researching and developing ABP-450, and conducting preclinical and clinical studies, including any determination we make as to whether to cease its migraine open label extensionstudy;
- the cost of please see "Item 10. Directors, Executive Officers and Corporate Governance," "Item 1. Business — Conflicts of Interest" and "Item 13. Certain Relationships and Related Transactions, and Director Independence."

commercialization activities if ABP-450 is Our executive officers, directors, security holders and their respective affiliates may have competitive pecuniary interests that conflict with our interests. approved

We have not adopted a policy that expressly prohibits our directors, executive officers, security holders or affiliates from having a direct or indirect pecuniary or financial interest in any investment to be acquired or disposed of by us or in any transaction to which we are a party or have an interest. In fact, we may enter into a business combination with a target business that is affiliated with our sponsor, our directors or executive officers, although we do not intend to do so (and AEON is not affiliated with our sponsor, directors or officers). Nor do we have a policy that expressly prohibits any such persons from engaging for their own account in business activities of the types conducted by us. Accordingly, such persons or entities may have a conflict between their interests and ours.

The personal and financial interests of our directors proposed therapeutic indications for sale, including marketing, sales and officers may influence their motivation in timely identifying and selecting a target business and completing a business combination. Consequently, our directors' and officers' discretion in identifying and selecting a suitable target business may result in a conflict of interest when determining whether the terms, conditions and timing of a particular business combination are appropriate and in our stockholders' best interest. If this were the case, it would be a breach of their fiduciary duties to us as a matter of Delaware law and we or our stockholders might have a claim against such individuals for infringing on our stockholders' rights. However, we might not ultimately be successful in any claim we may make against them for such reason.

distributioncosts;

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We may engage in a business combination

- costs under our third-party manufacturing and supply arrangements for ABP-450 and any products wecommercialize;
- the degree and rate of market acceptance of ABP-450 or any future approved products;
- the emergence, approval, availability, perceived advantages, relative cost, relative safety and relative efficacy of alternative and competing products;
- costs associated with one any acquisition or more target in-license of products and product candidates, technologies or businesses, that have relationships with entities that may be affiliated with and the terms and timing of any strategic collaboration or other arrangement;
- the timing of our sponsor, executive officers, directors or existing holders which may raise potential conflicts of interest.

In light sale and issuance of the involvement second Convertible Note in the principal amount of our sponsor, executive officers and directors $10.0 million, pursuant to a subscription agreement (the "Subscription Agreement"), dated as of March 19, 2024, with other entities, we may decide to acquire one or more businesses affiliated with our sponsor, executive officers, directors or existing holders (although AEON is not affiliated with our sponsor, our officers or directors). Our directors also serve as officers and board members for other entities, including, without limitation, those described under "Item 1. Business — Conflicts of Interest." Such entities may compete with us for business combination opportunities. Besides the entered into Business Combination Agreement with AEON, our sponsor, officers and directors are not currently aware of any specific opportunities for us to complete our initial business combination with any entities with which they are affiliated, and there have been no substantive discussions concerning a business combination

with any such entity or entities. Although we will not be specifically focusing on, or targeting, any transaction with any affiliated entities, we would pursue such a transaction if we determined that such affiliated entity met our criteria for a business combination as set forth herein and such transaction was approved by a majority of our independent and disinterested directors. Despite our agreement to obtain an opinion from an independent investment banking firm which is a member of FINRA or a valuation or appraisal firm regarding the fairness Daewoong Pharmaceutical Co. Ltd. ("Daewoong") relating to our company from sale and issuance of senior secured convertible notes (each, a financial point "Convertible Note" and together, the "Convertible Notes") in the principal amount of view of a business combination with one or more domestic or international businesses affiliated with our sponsor, executive officers, directors or existing holders, potential conflicts of interest still may exist and, as a result, up to $15.0 million;

- the terms of any conversion of the business combination first Convertible Note in the principal amount of $5.0 million, issued and sold to Daewoong on March 24, 2024, or the second Convertible Note into shares of common stock, subject to certain conditions and limitations set forth in each Convertible Note;
- the timing and terms of any liquidated damages cash payments under the separate termination agreements, dated as of March 18, 2024 (each, an "FPA Termination Agreement" and together, the "FPA Termination Agreements"), with each of ACM ARRT J LLC ("ACM"), and Polar Multi-Strategy Master Fund ("Polar") (each of ACM and Polar, individually, a "Seller", and together, the "Sellers"), terminating their respective Forward Purchase Agreements with us, dated as of June 29, 2023, for an OTC Equity Prepaid Transaction (each, a "Forward Purchase Agreement" and together, the "Forward Purchase Agreements"), which in certain circumstances may require aggregate payments of up to $3.0 million by us to the Sellers under the FPA Termination Agreements; and
- costs of operating as a public company.

If we raise additional capital through marketing and distribution arrangements or other collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish certain valuable rights to our product candidate(s), technologies, future revenue streams or research programs or may have to grant licenses on terms that may not be favorable to us. If we raise additional capital through public or private equity offerings or offerings of securities convertible into our equity, the ownership interest of stockholders will be diluted and the terms of any such securities may have a preference over our common stock. Debt financing, receivables financing and royalty financing may also be coupled with an equity component, such as advantageous warrants to purchase our public stockholders capital stock, which could also result in dilution of our existing stockholders' ownership, and such dilution may be material.

Additionally, if we raise additional capital through debt financing, we will have increased fixed payment obligations and may be subject to covenants limiting or restricting our ability to take specific actions, such as they would incurring additional debt or making capital expenditures to meet specified financial ratios, and other operational restrictions, any of which could restrict our ability to commercialize ABP-450 in our proposed therapeutic indications or to operate as a business and may result in liens being placed on our assets. If we were to default on any of our indebtedness, we could lose such assets. Additional funding may not be absent available on acceptable terms, or at all. The global credit and financial markets have experienced volatility and disruptions recently, including diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, increases in unemployment rates, and uncertainty about economic stability. If the equity and credit markets deteriorate, it may make any conflicts of interest. necessary debt or equity financing more difficult, more costly or more dilutive.

Since Our future success currently depends entirely on the successful and timely regulatory approval and commercialization of our sponsor, executive officers only product candidate, ABP-450. The development and directors will lose their entire investment commercialization of pharmaceutical products is subject to extensive regulation, and we may not obtain regulatory approvals for ABP-450 in us if our initial business combination is not completed (other than with respect to public shares they may acquire during or after our initial public offering), a conflict of interest may arise in determining whether a particular business combination target is appropriate for our initial business combination.

On December 17, 2020, our sponsor purchased an aggregate of 5,750,000 founder shares for a purchase price of $25,000, or approximately $0.004 per share. On February 8, 2021, we effected a 1.2 to 1 stock for our Class B Common Stock so that 6,900,000 shares of Class B Common Stock are now outstanding. Prior to the initial investment in the company of $25,000 by the sponsor, the company had no assets, tangible or intangible. The purchase price any of the founder shares was determined by dividing the amount of cash contributed to the company by the number of founder shares issued.

The number of founder shares outstanding was determined based on the expectation that the total size of our initial public offering would be 27,600,000 units and therefore that such founder shares would represent 20% of the outstanding shares after our initial public offering. The founder shares will be worthless if we do not complete an initial business combination. In addition, our sponsor purchased an aggregate of 5,213,333 private placement warrants, each exercisable indications for one share of Class A Common stock at $11.50 per share, for an aggregate purchase price of $7,820,000, or $1.50 per warrant, that will also be worthless if we do not complete our initial business combination. The personal and financial interests of our executive officers and directors may influence their motivation in identifying and selecting a target business combination, completing an initial business combination and influencing the operation of the business following the initial business combination. This risk may become more acute as the 30-month anniversary of the closing of our initial public offering nears, which is the deadline for our completion of an initial business combination.

Risks Relating to our Securities

The securities in which we invest the funds held in the trust account could bear plan to develop it on a negative rate timely basis or at all.

Marketing approval of interest, which could reduce the value of the assets held in trust such that the per-share redemption amount received by public shareholders may be less than $10.00 per share.

The proceeds held in the trust account will be invested only in U.S. government treasury obligations with a maturity of 185 days or less or in money market funds meeting certain conditions under Rule 2a-7 under the Investment Company Act, which invest only in direct U.S. government treasury obligations. While short-term U.S. government treasury obligations currently yield a positive rate of interest, they have briefly yielded negative interest rates in recent years. Central banks in Europe and Japan pursued interest rates below zero in recent years, and the Open Market Committee of the Federal Reserve has not ruled out the possibility that it may in the future adopt similar policies biologics in the United States. In States requires the event that we are unable submission of a BLA to complete our initial business combination or make certain amendments to our amended the FDA. A BLA must be supported by extensive clinical and restated memorandum preclinical data, as well as extensive information regarding pharmacology, chemistry, manufacturing and articles of association, our public shareholders are entitled to receive their pro-rata share of the proceeds held in the trust account, plus any interest income, net of taxes payable and up to $100,000

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controls. FDA approval of interest a BLA is not guaranteed, and the review and approval process is an expensive and uncertain process that may take several years. The FDA also has substantial discretion in the approval process.

Prior to pay dissolution expenses. Negative interest rates could reduce obtaining approval to commercialize any product candidate in the value United States or abroad, we must demonstrate with substantial evidence from well-controlled clinical trials, and to the satisfaction of the assets held FDA or comparable foreign regulatory authorities, that our product candidate, ABP-450, is safe and effective for its intended uses. Results from preclinical studies and clinical trials can be interpreted in trust such different ways. Even if we believe that the per-share redemption amount received preclinical or clinical data for our product candidates, including ABP-450, are promising, such data may not be sufficient to support approval for further development, manufacturing or commercialization of our product candidates by public shareholders the FDA and other regulatory authorities. The FDA or other regulatory authorities may be less than $10.00 per share.

You will not have any rights also require us to conduct additional preclinical studies or interests in funds from the trust account, except under certain limited circumstances. Therefore, clinical trials for our product candidates either prior to liquidate your investment, you or post-approval, or it may be forced object to sell your public shares or warrants, potentially at a loss.

Our public stockholders elements of our clinical development program, requiring their alteration. The number and types of preclinical studies and clinical studies that will be entitled required for BLA approval varies depending on the product candidate,

the disease or the condition that the product candidate is designed to receive funds treat and the regulations applicable to any particular product candidate.

The FDA, the EMA, and other regulatory authorities can delay, limit or deny approval of a product candidate for many reasons, including the following:

- **a product candidate may not be deemed safe, effective, pure or potent;**
- **the data from preclinical studies and clinical studies may not be deemed sufficient;**
- **the trust account only upon FDA, the earlier EMA and other regulatory agencies might not approve our third-party manufacturers' processes or facilities;**
- **deficiencies in the formulation, quality control, labeling, or specifications of a product candidate or in response to occur of: (i) our completion of an initial business combination, and then only citizen petitions or similar documents filed in connection with those shares the product candidate;**
- **a general requirement intended to address risks associated with a class of Class A Common Stock drugs, such as a new risk evaluation and mitigation strategy, or REMS, requirement for botulinum toxins;**
- **the enactment of new laws or promulgation of new regulations that such stockholder properly elected change the approval requirements; or**
- **the FDA, the EMA and other regulatory agencies may change their approval policies or adopt new regulations.**

If ABP-450 fails to redeem, subject demonstrate safety and efficacy in our clinical studies or does not gain approval in any of our proposed therapeutic indications, our business and results of operations will be materially and adversely harmed.

We are currently pursuing three main therapeutic indications for ABP-450, and our business presently depends entirely on our ability to obtain regulatory approvals for ABP-450 for our planned indications and to successfully commercialize it in a timely manner. To date, as an organization, we have completed one clinical study related to the limitations described herein, (ii) therapeutic use of ABP-450 for the redemption treatment of cervical dystonia. In October 2023, we announced topline results from our Phase 2 clinical trial of ABP-450 for the preventive treatment of episodic migraine. The Phase 2 clinical trial for episodic migraine did not meet its primary endpoint, though it did show statistical significance on multiple secondary and exploratory endpoints, including the percentage of patients achieving a reduction from baseline of at least 50% in monthly migraine days and 75% in monthly migraine days during the weeks 21 to 24 of the treatment period and improvements on certain patient and rating scales.

We have no biological products currently approved for sale and we may never be able to develop marketable products. We are not permitted to market ABP-450 in the United States unless we receive approval of a BLA from the FDA, in the European Union unless we receive approval of a marketing authorization application, or MAA, from the EMA, in Canada unless we receive approval of a new drug submission, or NDS, from Health Canada or in any public shares properly tendered other countries permitted under the Daewoong Agreement, unless we receive the requisite approval from the applicable regulatory authorities in connection with such countries. We will need to conduct a stockholder vote to amend our amended and restated certificate significant amount of incorporation to modify the substance or timing clinical testing before we receive regulatory approval for any of our obligation to redeem 100% of our public shares if planned indications, and we do not complete our initial business combination by August 11, 2023 know if or with respect to when we will receive any other material provisions relating to stockholders' rights such approvals or pre-initial business combination activity, and the redemption of our public shares if whether we are unable to complete an initial business combination by August 11, 2023, subject to applicable law and as further described herein. In addition, if our plan to redeem our public shares if we are unable to complete an initial business combination by August 11, 2023 is not completed for any reason, compliance with Delaware law may require that we submit a plan of dissolution to our then-existing stockholders for approval prior to the distribution of the proceeds held in our trust account. In that case, public stockholders may be forced to wait beyond 30 months from the closing of our initial public offering before they receive funds from our trust account. In no other circumstances will a public stockholder have any right or interest of any kind in the trust account. Holders of warrants will not have any right to the proceeds held in the trust account with respect to the warrants. Accordingly, to liquidate your investment, you may be forced to sell your public shares or warrants, potentially at a loss.

Nasdaq may delist our securities from trading on its exchange, which could limit investors' ability need to make transactions in our securities and subject us modifications or significant additional expenditures to additional trading restrictions.

Our Class A Common Stock is listed on Nasdaq and our warrants are expected to trade separately on Nasdaq promptly after the date of this Annual Report. obtain any such approvals. We cannot assure you can provide no assurances that our securities ABP-450 will be successful in clinical studies or will continue to be, listed on ultimately receive regulatory approval in any therapeutic indication. Even if ABP-450 demonstrates efficacy, our injection protocols, including the Nasdaq selection of injection sites and amount of product injected at each injection site, may produce negative or inconclusive results or may result in the future or prior to our initial business combination. In order to continue listing our securities on the Nasdaq prior to our initial business combination, we must maintain certain financial, distribution and share price levels. Generally, we must maintain a minimum amount in stockholders' equity (generally $2,500,000) and a minimum number of holders of our securities (generally 300 public holders). Additionally, in connection with our initial business combination, we will be required to demonstrate compliance with Nasdaq's initial listing requirements, which are more rigorous than Nasdaq's continued listing requirements, in order to continue to maintain the listing of our securities on Nasdaq. For instance, our share price would generally be required to be at least $4.00 per share and our stockholders' equity would generally be required to be at least $5.0 million and we would be required to have a minimum of 300 round lot holders of our securities, with at least 50% of such round lot holders holding unrestricted securities with a market value of at least $2,500. We cannot assure you that we will be able to meet those initial listing requirements at that time.

If Nasdaq delists our securities from trading on its exchange and we are not able to list our securities on another national securities exchange, we expect our securities could be quoted on an over-the-counter market. If this were to occur, we could face significant material adverse consequences, including:

- a limited availability of market quotations for our securities;
- reduced liquidity for our securities;
- a determination that our Class A Common Stock is a "penny stock" which will require brokers trading in our Class A Common Stock to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for our securities;
- a limited amount of news and analyst coverage; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

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You will occurrence of serious adverse events. In addition, if we receive approval in one country for an indication, we may not be permitted to exercise your warrants unless we register and qualify the underlying Class A Common Stock receive a similar approval in any other jurisdiction, or certain exemptions are available.

If the issuance of the Class A Common Stock upon exercise of the warrants is not registered, qualified or exempt from registration or qualification under the Securities Act and applicable state securities laws, holders of warrants will not be entitled to exercise such warrants and such warrants may have no value and expire worthless. In such event, holders who acquired their warrants as part of a purchase of units will have paid the full unit purchase price solely for the Class A Common Stock included in the units. same country for a different indication.

We are not registering the Class A Common Stock issuable upon exercise of the warrants under the Securities Act Even if regulatory approvals for one or any state securities laws at this time. However, under the terms of the warrant agreement, we have agreed that, as soon as practicable, but in no event later than 15 business days, after the closing more of our initial business combination, therapeutic indications are obtained, we will use our best efforts to file with the SEC a registration statement covering the registration under the Securities Act of the Class A Common Stock issuable upon exercise of the warrants and thereafter will use our best efforts to cause the same to become effective within 60 business days following our initial business combination and to maintain a current prospectus relating to the Class A Common Stock issuable upon exercise of the warrants until the expiration of the warrants in accordance with the provisions of the warrant agreement. We cannot assure you that we will may never be able to do so successfully commercialize ABP-450. We will need to transition at some point

from a company with a development focus to a company capable of supporting commercial activities, including by obtaining approval for coverage and adequate reimbursement from third-party and government payors, but we may not be successful in such a transition. Accordingly, we may not be able to generate sufficient revenue through the sale of ABP-450 in each of our therapeutic indications to continue our business.

Clinical product development involves a lengthy, expensive and uncertain process. We may incur greater costs than we anticipate or encounter substantial delays or difficulties in our clinical studies.

We may not commercialize, market, promote or sell any product candidate without obtaining marketing approval from the FDA, the EMA or other regulatory agencies, and we may never receive such approvals.

Clinical testing is expensive, is difficult to design and implement, can take many years to complete and is uncertain as to outcome. As a company, we are conducting and overseeing the conduct of preclinical and clinical studies of ABP-450 through contracts with CROs. We cannot guarantee that any clinical studies will be conducted as planned or completed on schedule, if at all. A failure of one or more clinical studies can occur at any stage of testing. Moreover, preclinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that have believed their product candidates performed satisfactorily in preclinical studies and clinical studies have nonetheless failed to obtain marketing approval of their products.

In October 2023, we announced topline results from our Phase 2 clinical trial of ABP-450 for example, any facts or events arise which represent the preventive treatment of episodic migraine. The Phase 2 clinical trial for episodic migraine did not meet its primary endpoint, though it did show statistical significance on multiple secondary and exploratory endpoints, including the percentage of patients achieving a fundamental change reduction from baseline of at least 50% in monthly migraine days and 75% in monthly migraine days during the information set forth in the registration statement or prospectus, the financial statements contained or incorporated by reference therein are not current or correct or the SEC issues a stop order.

If the shares of Class A Common Stock issuable upon exercise weeks 21 to 24 of the warrants are treatment period and improvements on certain patient and rating scales.

We may experience numerous unforeseen events prior to, during, or as a result of, clinical studies that could delay or prevent our ability to receive marketing approval or to commercialize ABP-450 in our proposed therapeutic indications, including the following:

- **delays in reaching a consensus with regulatory authorities on the design or implementation of our clinical studies;**
- **regulators or institutional review boards and ethics committees may not registered under authorize us or our investigators to commence a clinical study or conduct a clinical study at a prospective study site;**
- **delays in reaching agreement on acceptable terms with prospective CROs and clinical study sites;**
- **delays or failures by Daewoong to comply with cGMPs or other applicable requirements, or to provide sufficient supply of ABP-450 for use in our clinical studies;**
- **the Securities Act, under the terms number of the warrant agreement, holders patients required for clinical studies of warrants who seek ABP-450 in our proposed therapeutic indications may be larger than we anticipate, enrollment in these clinical studies may be slower than we anticipate, participants may drop out of these clinical studies at a higher rate than we anticipate or fail to exercise their warrants will not be permitted return for post-treatment follow-up or we may fail to do so for cash and, instead, will be required recruit suitable patients to do so on participate in a cashless basis study;**
- **clinical studies of ABP-450 in accordance with Section 3(a)(9) of the Securities Act our proposed therapeutic indications may produce negative or another exemption.**

  In no event will warrants be exercisable for cash or on a cashless basis, and we will not be obligated to issue any shares to holders seeking to exercise their warrants, unless the issuance of the shares upon such exercise is registered or qualified under the securities laws of the state of the exercising holder, or an exemption from registration or qualification is available.

  If our shares of Class A Common Stock are at the time of any exercise inconclusive results;

- **imposition of a warrant not listed on clinical hold by regulatory authorities as a national securities exchange such result of a serious adverse event, concerns with a class of product candidates or**

after an inspection of our clinical study operations, study sites or manufacturing facilities;

- occurrence of serious adverse events associated with ABP-450 in any of our proposed therapeutic indications that they satisfy the definition of "covered securities" under Section 18(b)(1) of the Securities Act, we may, at our option, not permit holders of warrants who seek are viewed to exercise their warrants to do so for cash and, instead, require them to do so on a cashless basis in accordance with Section 3(a)(9) of the Securities Act; in the event we so elect, we will not be required to file or maintain in effect a registration statement or register or qualify the shares underlying the warrants under applicable state securities laws, and in the event we do not so elect, we will use our best efforts to register or qualify the shares underlying the warrants under applicable state securities laws to the extent an exemption is not available.

In no event will we be required to net cash settle any warrant, or issue securities (other than upon a cashless exercise as described above) or other compensation in exchange for the warrants in the event that we are unable to register or qualify the shares underlying the warrants under the Securities Act or applicable state securities laws.

outweigh its potential benefits;

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You •changes in regulatory requirements and guidance that require amending or submitting new clinical protocols;

- we may only decide, or regulators may require us, to conduct additional clinical studies or abandon product development programs; or
- the impacts of any public health outbreaks (such as the COVID-19 pandemic) on our ongoing and planned clinical studies.

Any inability to successfully complete preclinical and clinical development could result in additional costs to us or impair our ability to generate revenue from future product sales or other sources. In addition, if we make manufacturing or formulation changes to ABP-450, we may need to conduct additional testing to bridge our modified product candidate to earlier versions. Clinical study delays could also shorten any periods during which we may have the exclusive right to commercialize ABP-450, if approved in any currently proposed or future therapeutic indications, or allow our competitors to bring competing products to market before we do, which could impair our ability to successfully commercialize ABP-450 and may harm our business, financial condition, results of operations and prospects.

Additionally, if the results of our clinical studies are inconclusive or if there are safety concerns or serious adverse events associated with ABP-450 in any of our proposed therapeutic indications, we may:

- be delayed in obtaining marketing approval, or not obtain marketing approval at all;
- obtain approval for indications or patient populations that are not as broad as intended or desired;
- obtain approval with labeling that includes significant use or distribution restrictions or safety warnings or be subject to the addition of labeling statements, such as warnings or contraindications;
- be subject to additional post-marketing testing requirements;
- be required to perform additional clinical studies to support approval or be subject to additional post- marketing testing requirements;
- have regulatory authorities withdraw, or suspend, their approval of the product or impose restrictions on its distribution in the form of a REMS;
- be sued; or
- experience damage to our reputation.

Our product development costs will also increase if we experience delays in testing or obtaining marketing approvals. We do not know whether any of our preclinical studies or clinical studies will begin as planned, need to be restructured or be

completed on schedule, if at all. Additionally, the impacts of any public health outbreaks (such as the COVID-19 pandemic) on our projected milestones is uncertain and cannot be predicted with confidence.

Further, we, the FDA, a foreign regulatory authority, an ethics committee or an institutional review board may suspend our clinical studies at any time if it appears that we or our collaborators are failing to conduct a study in accordance with regulatory requirements, including the FDA's current Good Clinical Practice, or GCP, regulations, that we are exposing participants to unacceptable health risks, or if the FDA, the EMA or other regulatory agency finds deficiencies in our investigational new drug applications, or INDs, or clinical study applications, respectively, or the conduct of these studies. Moreover, to the extent our filing schedule for a new IND is dependent on further preclinical or manufacturing progress, we may not be able to exercise your public warrants file such INDs on the timelines we expect. Therefore, we cannot predict with any certainty the schedule for commencement and completion of future clinical studies. If we experience delays in the commencement or completion of our clinical studies, or if we terminate a "cashless basis" under clinical study prior to completion, the commercial prospects of ABP-450 could be negatively impacted, and our ability to generate revenue from ABP-450 may be delayed.

Additionally, certain of our scientific advisors or consultants who receive compensation from us are likely to be investigators for our future clinical studies. Under certain circumstances, and if you do so, you will receive fewer shares of Class A Common Stock from such exercise than if you were to exercise such warrants for cash.

The warrant agreement provides that in the following circumstances holders of warrants who seek to exercise their warrants will not be permitted to do for cash and will, instead, we may be required to do so on report some of these relationships to the FDA. The FDA may conclude that a cashless basis in accordance with Section 3(a)(9) financial relationship between us and a principal investigator has created a conflict of interest or otherwise affected interpretation of the Securities Act: (i) if study. The FDA may therefore question the shares of Class A Common Stock issuable upon exercise integrity of the warrants are not registered under data generated at the Securities Act in accordance with applicable clinical study site and the terms utility of the warrant agreement; if we have so elected and the shares of Class A Common Stock are at the time of any exercise of a warrant not listed on a national securities exchange such that they satisfy the definition of "covered securities" under Section 18(b)(1) of the Securities Act; and (iii) if we have so elected and we call the public warrants for redemption. If you exercise your public warrants on a cashless basis, you would pay the warrant exercise price by surrendering the warrants for that number of shares of Class A Common Stock equal to the quotient obtained by dividing (x) the product of the number of shares of Class A Common Stock underlying the warrants, multiplied by the excess of the "fair market value" of our shares of Class A Common Stock (as defined in the next sentence) over the exercise price of the warrants by (y) the fair market value. The "fair market value" is the average reported closing price of the shares of Class A Common Stock for the 10 trading days ending on the third trading day prior to the date on which the notice of exercise is received by the warrant agent or on which the notice of redemption is sent to the holders of warrants, as applicable. As a result, you would receive fewer shares of Class A Common Stock from such exercise than if you were to exercise such warrants for cash.

The grant of registration rights to our initial stockholders and holders of our private placement warrants may make it more difficult to complete our initial business combination, and the future exercise of such rights may adversely affect the market price of our shares of Class A Common Stock.

Pursuant to an agreement entered into concurrently with the issuance and sale of the securities in our initial public offering, our initial stockholders and their permitted transferees can demand that we register the shares of Class A Common Stock into which founder shares are convertible, holders of our private placement warrants and their permitted transferees can demand that we register the private placement warrants and the Class A Common Stock issuable upon exercise of the private placement warrants and holders of warrants that clinical study itself may be issued upon conversion jeopardized. This could result in a delay in approval, or rejection, of working capital loans may demand that we register such warrants or the Class A Common Stock issuable upon conversion of such warrants. The registration rights will be exercisable with respect to the founder shares and the private placement warrants and the Class A Common Stock issuable upon exercise of such private placement warrants. We will bear the cost of registering these securities. The registration and availability of such a significant number of securities for trading in the public market may have an adverse effect on the market price of our Class A Common Stock. In addition, the existence of the registration rights may make our initial business combination more costly or difficult to conclude. This is because the stockholders of the target business may increase the equity stake they seek in the combined entity or ask for more cash consideration to offset the negative impact on the market price of our Class A Common Stock that is expected when the shares of common stock owned by our initial stockholders, holders of our private placement warrants or holders of our working capital loans or their respective permitted transferees are registered.

We may issue additional shares of Class A Common Stock or shares of preferred stock to complete our initial business combination (as is the case for our proposed initial business combination with AEON) or under an employee incentive plan after completion of our initial business combination. We may also issue shares of Class A Common Stock upon the conversion of the founder shares at a ratio greater than one-to-one at the time of our initial business combination as a result of the anti-dilution provisions contained in our amended and restated certificate of incorporation. Any such issuances would dilute the interest of our stockholders and likely present other risks.

Our amended and restated certificate of incorporation authorizes the issuance of up to 280,000,000 shares of Class A Common Stock, par value $0.0001 per share, 20,000,000 shares of Class B Common Stock, par value $0.0001 per share, and 1,000,000 shares of preferred stock, par value $0.0001 per share. As of the date of this Annual Report, there are 252,400,000 and 13,100,000 authorized but unissued shares of Class A Common Stock and Class B Common Stock, respectively, available for issuance which amount does not take into account shares reserved for issuance upon exercise of outstanding warrants or shares issuable upon conversion of the Class B Common Stock. The Class B Common Stock is automatically convertible into Class A Common Stock concurrently with or immediately following the consummation of our initial business combination, initially at a one-for-one ratio but subject to adjustment as set forth herein and in our amended and restated certificate of incorporation. Currently there are no shares of preferred stock issued and outstanding.

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marketing applications by the FDA and may ultimately lead to the denial of marketing approval of ABP-450 in one or more indications. If we experience delays in the completion of, or termination of, any clinical study of ABP-450, the commercial prospects of ABP-450 will be harmed, and our ability to generate product revenue will be delayed. Moreover, any delays in completing our clinical studies will increase our costs, slow down our development and approval process and jeopardize our ability to commence product sales and generate revenues which may harm our business, financial condition and prospects significantly.

Enrollment and retention of patients in clinical studies is an expensive and time-consuming process and could be delayed, made more difficult or rendered impossible by multiple factors outside our control. If we experience delays or difficulties in enrolling patients in clinical studies, our receipt of necessary regulatory approval could be delayed or prevented.

Identifying and qualifying patients to participate in our clinical studies is critical to our success. The number of patients suffering from cervical dystonia is small and other indications we may pursue may have similarly small patient populations. We may issue encounter difficulties in enrolling patients in our clinical studies and may compete against other clinical studies for the same pool of potential patients, thereby delaying or preventing development and approval of ABP-450 in any of our proposed therapeutic indications. For example, the activation of investigators and sites for our migraine prevention Phase 2 clinical study was initially slower than we expected. Even once enrolled, we may be unable to retain a substantial sufficient number of additional shares of Class A Common Stock or shares of preferred stock patients to complete our initial business combination (as is the case for our proposed initial business combination with AEON) or under an employee incentive plan after completion any of our initial business combination. We may also issue shares of Class A Common Stock upon conversion studies on a timely basis or at all. Patient enrollment and retention in clinical studies depends on many factors, including the size of the Class B Common Stock at a ratio greater than one-to-one at patient population, the time nature of the study protocol, the existing body of safety and efficacy data, the number and nature of competing treatments and ongoing clinical studies of competing therapies for the same indication, the proximity of patients to clinical study sites, the eligibility criteria for the study and other factors we may not be able to control that may limit patients, principal investigators or staff or clinical site availability.

Our clinical studies were, and may in the future be, affected by the COVID-19 pandemic or similar occurrences. For example, the COVID-19 pandemic caused us to delay enrollment in 2020 to institute new procedures for the safety of patients and investigators and may in the future further impact patient enrollment in our ongoing clinical studies.

Further, if patients drop out of our initial business combination clinical studies, miss scheduled doses or follow-up visits, or otherwise fail to follow clinical study protocols, whether as a result of a public health outbreak or otherwise, the anti-dilution provisions as set forth therein (although, as noted above, integrity of data from our clinical studies may be compromised or not accepted by the FDA or other regulatory authorities, which would represent a significant setback for the applicable program.

Our efforts to build relationships with patient communities may not succeed, which could result in connection with delays in patient enrollment in our clinical studies. Any negative results we may report in clinical studies of ABP-450 in any of our proposed initial business combination with AEON, the sponsor has waived its right for this conversion ratio therapeutic indications may make it difficult or impossible to be adjusted recruit and retain patients in such other clinical studies of that same product candidate. Delays or failures in planned patient enrollment or retention, whether as a manner). However, result of a public health outbreak or otherwise, may result in increased costs, program delays or both, which could have a harmful effect on our amended and restated certificate ability to develop ABP-450 in any of incorporation provides, among other things, that prior to our initial business combination, proposed therapeutic indications or could render further development impossible. In addition, we may not issue additional shares that would entitle the holders thereof rely on CROs and clinical study sites to (i) receive funds from the trust account or (ii) vote as a class with our public shares (a) on any initial business combination or (b) to approve an amendment to our amended ensure proper and restated certificate of incorporation to (x) extend the time we have to consummate a business combination beyond 30 months from the closing timely conduct of our initial public offering future clinical studies and, while we intend to enter into agreements governing their services, we will be limited in our ability to ensure their actual performance.

ABP-450 may cause undesirable side effects or (y) amend the foregoing provisions. These provisions have other properties that could delay or prevent its regulatory approval in any of our amended proposed therapeutic indications, limit its commercial potential or result in significant negative consequences following any potential marketing approval.

During the conduct of clinical studies, patients report changes in their health, including illnesses, injuries and restated certificate discomforts, to their doctor. Often, it is not possible to determine whether or not the product candidate being studied caused or contributed to these conditions and regulatory authorities may draw different conclusions from us and require additional testing to confirm these determinations, if they occur. We are collecting data about ABP-450 from ongoing clinical and toxicology studies and any adverse events or undesirable side effects caused by, or other unexpected properties of, incorporation, like all provisions ABP-450 could cause us, any future collaborators, an Institutional Review Board, or IRB, or ethics committee or regulatory authorities to interrupt, delay or halt clinical studies of ABP-450 and could result in a more restrictive label or the delay or denial of regulatory approval by the FDA or other regulatory authorities.

In addition, it is possible that as we test ABP-450 in larger, longer and more extensive clinical studies, or as use of ABP-450 becomes more widespread if it receives regulatory approval for any of our amended and restated certificate of incorporation, may be amended with a stockholder vote. The issuance of additional shares of common stock or shares of preferred stock:

- may significantly dilute the equity interest of investors in our initial public offering;
- may subordinate the rights of holders of Class A Common Stock if shares of preferred stock are issued with rights senior to those afforded our Class A Common Stock;
- could cause a change in control if a substantial number of shares of Class A Common Stock is issued, which may affect, among other things, our ability to use our net operating loss carry forwards, if any, and could result in the resignation or removal of our present officers and directors; and
- may adversely affect prevailing market prices for our units, Class A Common Stock and/or warrants.

Unlike some other similarly structured special purpose acquisition companies, our initial stockholders will receive additional shares of Class A Common Stock if we issue certain shares to consummate an initial business combination.

The founder shares will automatically convert into shares of Class A Common Stock concurrently with or immediately following the consummation of our initial business combination on a one-for-one basis, subject to adjustment for stock splits, stock dividends, reorganizations, recapitalizations and the like, and subject to further adjustment as provided herein. In the case proposed indications, that additional shares of Class A Common Stock or equity-linked securities are issued or deemed issued in connection with our initial business combination, the number of shares of Class A Common Stock issuable upon conversion of all founder shares will equal, in the aggregate, on an as-converted basis, 20% of the total number of shares of Class A Common Stock outstanding after such conversion (after giving effect to any redemptions of shares of Class A Common Stock by public stockholders), including the total number of shares of Class A Common Stock issued, or deemed issued or issuable upon conversion or exercise of any equity-linked securities or rights issued or deemed issued, by the company in

connection with or in relation to the consummation of the initial business combination, excluding any shares of Class A Common Stock or equity-linked securities or rights exercisable for or convertible into shares of Class A Common Stock issued, or to be issued, to any seller in the initial business combination and any private placement warrants issued to our sponsor, officers or directors upon conversion of working capital loans, provided that such conversion of founder shares will never occur on a less than one-for-one basis. This is different than some other similarly structured special purpose acquisition companies in which the initial stockholders will only be issued an aggregate of 20% of the total number of shares to be outstanding prior to our initial business combination. illnesses, injuries, discomforts

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We and other adverse events that were not observed in earlier studies conducted by us, or, in the case of ABP-450, by others using the same botulinum toxin, as well as conditions that did not occur or went undetected in previous studies, will be reported by subjects or patients. Many times, side effects are only detectable after investigational products are tested in large-scale pivotal studies or, in some cases, after they are made available to patients on a commercial scale after approval. If additional clinical experience indicates that ABP-450 has side effects or causes serious or life-threatening side effects in any of our proposed therapeutic indications, the development of ABP-450 in that indication may amend fail or be delayed. Additionally, there is the terms risk that as botulinum toxins other than ABP-450 are approved for and studied in connection with a broader range of diseases and conditions and across a more diverse population, additional safety signals and other adverse events may be identified. All botulinum toxin products are required to include a class labeling that contains a boxed warning related to safety and we could be required to include additional warnings on our product labeling, if approved.

If ABP-450 receives regulatory approval, and we or others identify undesirable side effects of ABP-450, a number of potentially significant negative consequences could result, such as regulatory authorities revoking such approval or imposing additional restrictions on the marketing and promotion of the warrants in a manner that product, or we may be adverse required to holders recall the product or implement changes to the way the product is administered.

We could also be sued and held liable for harm caused to patients, which could hinder commercial acceptance of public warrants with ABP-450 and adversely affect our business, financial condition, results of operations and prospects.

Results of other parties' clinical studies involving the same or a nearly identical botulinum toxin complex as ABP-450, or results in any preclinical studies we conduct, may not be predictive of future results of our clinical studies.

Success in clinical studies conducted by Daewoong and Evolus, Inc., or Evolus, involving a botulinum toxin that is identical or nearly identical to ABP-450 does not ensure that any clinical studies we conduct using ABP-450 will be successful and we will still need to submit our independently generated data to applicable regulatory agencies to support regulatory approval by the holders of at least 50% ABP-450 in any of the then outstanding public warrants. As a result, the exercise price of your warrants could our proposed therapeutic indications. Similarly, success in any preclinical studies or clinical studies that we conduct will not ensure that later clinical studies will be increased, the exercise period could be shortened and the successful. A number of shares of Class A Common Stock purchasable upon exercise of a warrant could be decreased, all without your approval.

Our warrants were issued companies in registered form under a warrant agreement between Continental Stock Transfer & Trust Company, as warrant agent, the biotechnology and us. The warrant agreement provides that the terms of the warrants may be amended without the consent of any holder to cure any ambiguity or correct any defective provision, but requires the approval pharmaceutical industries have suffered significant setbacks in clinical studies, even after positive results in earlier preclinical studies and earlier clinical studies. These setbacks have been caused by, the holders of at least 50% of the then outstanding public warrants to make any change that adversely affects the interests of the registered holders of public warrants. Accordingly, we may amend the terms of the public warrants in a manner adverse to a holder if holders of at least 50% of the then outstanding public warrants approve of such amendment. Although our ability to amend the terms of the public warrants with the consent of at least 50% of the then outstanding public warrants is unlimited, examples of such amendments could be amendments to, among other things, increase preclinical findings made while clinical studies were underway and safety or

efficacy observations made in clinical studies, including previously unreported adverse events. Notwithstanding any potential promising results in earlier studies, we cannot be certain that we will not face similar setbacks.

Additionally, our clinical studies may utilize an "open-label" trial design. An "open-label" clinical trial is one where both the exercise price patient and investigator know whether the patient is receiving the investigational product candidate for either an existing approved drug or placebo. Most typically, open-label clinical studies test only the investigational product candidate and may do so at different dose levels. Open-label clinical studies are subject to various limitations that may exaggerate any therapeutic effect as patients in open-label clinical studies are aware when they are receiving treatment. Open-label clinical studies may be subject to a "patient bias" where patients perceive their symptoms to have improved merely due to their awareness of receiving an experimental treatment. In addition, open-label clinical studies may be subject to an "investigator bias" where those assessing and reviewing the physiological outcomes of the warrants, convert clinical studies are aware of which patients have received treatment and may interpret the warrants into cash or stock (at a ratio different than initially provided), shorten information of the exercise period or decrease the number treated group more favorably given this knowledge. The results from an open-label trial may not be predictive of shares of Class A Common Stock purchasable upon exercise of a warrant.

We may redeem your unexpired warrants prior to their exercise at a time that is disadvantageous to you, thereby making your warrants worthless.

We have the ability to redeem the outstanding public warrants at future clinical trial results with any time after they become exercisable and prior to their expiration, at a price of $0.01 per warrant, provided that the closing price of our Class A Common Stock equals product candidates when studied in a controlled environment with a placebo or exceeds $18.00 per share (as adjusted for adjustments active control.

Interim, topline or preliminary data from our clinical studies that we may announce or publish from time to time may change as more patient data become available and are subject to audit and verification procedures that could result in material changes in the final data.

From time to time, we may publicly disclose interim, topline or preliminary data from our clinical studies as we are expecting to do with the chronic cohort of our Phase 2 migraine study in the second quarter of 2024, which are based on a preliminary analysis of then-available data, and the results and related findings and conclusions are subject to change following a full analysis of all data related to the number of shares issuable upon exercise or particular study. Interim and preliminary data for the exercise price of a warrant) for any 20 trading days within a 30 trading-day period ending on the third trading day prior to proper notice of such redemption and provided that certain other conditions are met. If and when the warrants become redeemable by us, studies we may exercise complete are subject to the risk that one or more clinical outcomes may materially change as patient enrollment continues or more patient data become available. We also make assumptions, estimations, calculations and conclusions as part of our redemption right even if we are unable to register or qualify the underlying securities for sale under all applicable state securities laws. As a result, analyses of data, and we may redeem the warrants as set forth above even if the holders are otherwise unable to exercise the warrants. Redemption of the outstanding warrants could force you to (i) exercise your warrants and pay the exercise price therefor at a time when it may be disadvantageous for you to do so, (ii) sell your warrants at the then-current market price when you might otherwise wish to hold your warrants or (iii) accept the nominal redemption price which, at the time the outstanding warrants are called for redemption, we expect would be substantially less than the market value of your warrants. None of the private placement warrants will be redeemable by us so long as they are held by our sponsor or its permitted transferees.

In addition, we have the ability to redeem the outstanding public warrants at any time after they become exercisable and prior to their expiration, at a price of $0.10 per warrant upon a minimum of 30 days' prior written notice of redemption provided that the closing price of our Class A Common Stock equals or exceeds $10.00 per share (as adjusted for adjustments to the number of shares issuable upon exercise or the exercise price of a warrant) for any 20 trading days within a 30 trading-day period ending on the third trading day prior to proper notice of such redemption and provided that certain other conditions are met, including that holders will be able to exercise their warrants prior to redemption for a number of shares of Class A Common Stock determined based on the redemption date and the fair market value of our Class A Common Stock. The value received upon exercise of the warrants (i) may be less than the value the holders would not have received if they or had exercised their warrants at a later time where the underlying share price is higher opportunity to fully and (ii) may not compensate the holders for the value of the warrants, including because the number of shares of Class A Common Stock received is capped at 0.361 shares of Class A Common Stock per warrant (subject carefully evaluate all data. Interim, topline and preliminary data also remains subject to adjustment) irrespective of the remaining life of the warrants. audit and verification

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Our warrants procedures that may have an adverse effect on result in the market price of our shares of Class A Common Stock and make it more difficult to effectuate our initial business combination.

We issued warrants to purchase 9,200,000 shares of our Class A Common Stock as part final data being materially different from the preliminary data previously published. As a result, the interim, topline, or preliminary results that we report may differ from future results of the units offered same trials, or different conclusions or considerations may qualify such results, once additional data have been received and simultaneously fully evaluated, and any interim, topline or preliminary data should be viewed with caution until final data is available. Material adverse changes in the closing of our initial public offering, we issued final data could result in a private placement an aggregate of 5,213,333 private placement warrants, each exercisable to purchase one share of Class A Common Stock at $11.50 per share. In addition, if our sponsor or an affiliate of our sponsor or certain of our officers and directors makes any working capital loans, such lender may convert those loans into up to 1, 00,000 working capital warrants, at the price of $1.50 per warrant. In June 2021, upon the request of our sponsor, the company had $100,000 of working capital loans outstanding converted into 66,667 working capital warrants. As of December 31, 2021, the company had no borrowings under the unsecured convertible promissory note issued significant harm to our sponsor. To business prospects.

Further, others, including regulatory agencies, may not accept or agree with our assumptions, estimates, calculations, conclusions or analyses or may interpret or weigh the extent we issue common stock to effectuate a business transaction, the potential for the issuance importance of a substantial number of additional shares of Class A Common Stock upon exercise of these warrants data differently, which could make us a less attractive acquisition vehicle to a target business. Such warrants, when exercised, will increase the number of issued and outstanding shares of Class A Common Stock and reduce impact the value of the Class A Common Stock issued to complete particular program, the business transaction. Therefore, our warrants may make it more difficult to effectuate a business transaction approvability or increase the cost of acquiring the target business.

Our warrant agreement designates the courts of the State of New York or the United States District Court for the Southern District of New York as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by holders commercialization of our warrants, which could limit product candidate or product and our company in general. In addition, the ability of warrant holders information we choose to obtain publicly disclose regarding a favorable judicial forum for disputes particular study or clinical study is based on what is typically extensive information, and you or others may not agree with our company.

Our warrant agreement provides that, subject to applicable law, (i) any action, proceeding or claim against us arising out of or relating in any way to what we determine is the warrant agreement, including under the Securities Act, will be brought and enforced in the courts of the State of New York or the United States District Court for the Southern District of New York, and (ii) that we irrevocably submit to such jurisdiction, which jurisdiction shall be the exclusive forum for any such action, proceeding or claim. We will waive any objection to such exclusive jurisdiction and that such courts represent an inconvenient forum.

Notwithstanding the foregoing, these provisions of the warrant agreement will not apply to suits brought to enforce any liability or duty created by the Exchange Act or any other claim for which the federal district courts of the United States of America are the sole and exclusive forum. Any person or entity purchasing material or otherwise acquiring appropriate information to include in our disclosure, and any interest in any of our warrants shall information we determine not to disclose may ultimately be deemed to have notice of and to have consented to the forum provisions in our warrant agreement. If any action, the subject matter of which is within the scope the forum provisions of the warrant agreement, is filed in a court other than a court of the State of New York or the United States District Court for the Southern District of New York (a "foreign action") in the name of any holder of our warrants, such holder shall be deemed to have consented to: (x) the personal jurisdiction of the state and federal courts located in the State of New York in connection with any action brought in any such court to enforce the forum provisions (an "enforcement action"), and (y) having service of process made upon such warrant holder in any such enforcement action by service upon such warrant holder's counsel in the foreign action as agent for such warrant holder.

This choice-of-forum provision may limit a warrant holder's ability to bring a claim in a judicial forum that it finds favorable for disputes with our company, which may discourage such lawsuits. Alternatively, if a court were to find this provision of our warrant agreement inapplicable or unenforceable significant with respect to one future decisions, conclusions, views, activities or more of otherwise regarding a particular pharmaceutical or biological product, pharmaceutical or biological product candidate or our business. If the specified types of actions interim, topline or proceedings, preliminary data that we report differ from actual results, or if others, including regulatory authorities, disagree with the conclusions reached, our ability to obtain approval for and commercialize our product candidate in any currently proposed or future therapeutic indications may incur additional costs associated with resolving such matters in other jurisdictions, be harmed, which could materially harm our business, operating results, prospects or financial condition.

Due to our limited resources and access to capital, we must prioritize development of certain therapeutic uses of ABP-450; these decisions may prove to be wrong and may adversely affect our business, financial condition business.

While our initial focus is on the development and results approval of operations ABP-450 for the treatment of migraine, cervical dystonia and result in gastroparesis, a diversion of the time and resources key element of our management strategy is to identify additional conditions for which ABP-450 may be an effective therapy. However, there can be no assurances that we will be successful in identifying such conditions. Even if we are successful in identifying such conditions, we may experience difficulties in identifying a proper treatment regimen, or we may fail to secure regulatory approval for a particular indication. If we are unable to gain regulatory approval for indications in addition to the indications for the treatment of migraine, cervical dystonia and board of directors.

General Risk Factors

We are a blank check company with no operating history and no revenues, and you have no basis gastroparesis on which we are currently focused, or if FDA or other regulatory agencies require us to evaluate pursue a narrower indication than we have currently identified, we may be limited in our ability to achieve grow our business objective. business.

Efforts to identify and pursue additional therapeutic uses of ABP-450 require substantial technical, financial and human resources, regardless of whether they are ultimately successful. Because we have limited financial and personnel resources, we may forgo or delay pursuit of opportunities with potential target indications that later prove to have greater commercial potential or a greater likelihood of success. Our resource allocation decisions may cause us to fail to capitalize on viable commercial products or profitable market opportunities. We may focus our efforts and resources on potential therapeutic uses of ABP-450 that ultimately prove to be unsuccessful.

We may not be successful in obtaining an original BLA that contemplates exclusively therapeutic uses of ABP-450.

In order to market a biological product, an entity must submit and receive approval of a BLA. When a BLA application is approved in the first instance, it is an "original BLA" which is assigned a BLA number by the FDA. An approved "original BLA" may be supplemented, or amended, to incorporate changes, such as new indications, which the FDA must also approve. A BLA holder is legally responsible for all regulatory obligations associated with the BLA, including each supplement thereto, and is the only party that is authorized to submit a supplement. The form of BLA, original versus a supplement, is important because payors will generally consider the pricing for all products falling under the same BLA together when calculating reimbursement rates. Existing botulinum toxins, including Botox, are approved under a single BLA for both therapeutic and cosmetic indications. As a result, when payors calculate the average selling price, or ASP, of other botulinum toxins they include the sales prices of both therapeutic and cosmetic sales. The inclusion of a lower cosmetic sales price in the calculation of the ASP can cause physicians to lose money when treating patients with existing botulinum toxins and also creates a deterrent to providing payors and/or providers with rebates or other financial incentives.

Part of our regulatory strategy includes pursuing an original BLA that contemplates exclusively therapeutic uses of ABP-450. We are aware that Evolus has obtained a blank check company incorporated under BLA for cosmetic indications of its Jeuveau product, which is substantially similar to ABP-450. However, given we are a separate legal entity from Evolus, we do not hold a BLA that could be supplemented to add our target indications. As such, we believe the laws filing of an original BLA for ABP-450 is the State of Delaware with no operating results. Because we lack appropriate path for approval and, by filing an operating history, you have no basis upon which to evaluate our ability to achieve our business objective of completing our initial business combination with one or more target businesses (including our proposed business combination with AEON). We have no plans, arrangements or understandings with any prospective target business concerning a business combination and may be unable to

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original BLA, we can limit it to exclusively therapeutic uses. If we are successful in obtaining an original BLA for therapeutic indications of ABP-450, we believe the ASP for ABP-450 would be calculated using only therapeutic sales, which should facilitate consistent and favorable reimbursement to physicians when they choose to use ABP-450 for therapeutic treatments, as well as our ability to provide payors and/or providers with rebates and other financial incentives. However, we cannot assure you that we will be able to obtain such a BLA, and we are aware of other companies that sell botulinum toxins for both therapeutic and aesthetic indications that have experienced regulatory issues and denials by the FDA that led them to abandon the approach of applying for separate original BLAs that would cover the separate markets. We believe these denials occurred, in part, because in those instances the applicant already possessed a BLA for the product in a different indication. In the event we are not able to obtain an original BLA, we may not be able to ensure the consistent pricing that we believe an original BLA would offer, and the anticipated ASP of our products could be adversely affected.

Even if ABP-450 receives regulatory approval for any of our proposed indications, it may fail to achieve the broad degree of market acceptance by physicians, patients, third-party payors and others in the medical community necessary for commercial success.

Even if ABP-450 receives marketing approval for one or more therapeutic indications, it may nonetheless fail to gain sufficient market acceptance by physicians, patients, third-party payors and others in the medical community for those indications. The commercial success of ABP-450, if approved in any currently proposed or future therapeutic indications, will depend significantly on the broad adoption and use of the resulting product by physicians for approved indications. The degree of market acceptance of any product candidate, if approved for commercial sale, will depend on a number of factors, including but not limited to:

- **the convenience and ease of administration compared to alternative treatments and therapies;**
- **the willingness of the target patient population to try new therapies and of physicians to prescribe these therapies;**
- **the efficacy and potential advantages compared to alternative treatments and therapies;**
- **the availability of third-party coverage and adequate reimbursement, and patients' willingness to pay out-of-pocket in the absence of third-party coverage or adequate reimbursement;**
- **the effectiveness of sales and marketing efforts;**
- **the strength of our relationships with patient communities;**
- **the timing of market introduction of our product candidate in relation to other potentially competitive products;**
- **the cost of treatment in relation to alternative treatments and therapies;**
- **the amount of upfront costs or training required for physicians to administer our product candidate;**
- **our ability to offer such product for sale at competitive prices;**
- **the strength of marketing and distribution support;**
- **the presence or perceived risk of potential product liability claims;**
- **the prevalence and severity of any side effects; and**
- **any restrictions on the use of the product together with other medications.**

Our efforts to educate physicians, patients, third party payors and others in the medical community on the benefits of our product candidates, if approved, may require significant resources and may never be successful.

If ABP-450 fails to gain market acceptance, this will have a material adverse impact on our ability to generate revenues to provide a satisfactory, or any, return on our investments. Even if some therapeutic indications achieve market acceptance, the market may prove not to be large enough to allow us to generate significant revenues.

Even if we receive regulatory approval for ABP-450 in any therapeutic indication, we will be subject to ongoing regulatory obligations and continued regulatory review, which may result in significant additional expense, limit or delay additional regulatory approvals, limit or prohibit commercial distribution, prevent continued investigation and research and subject us to penalties if we fail to comply with applicable regulatory requirements. Additionally, ABP-450, if approved in any therapeutic indication, could be subject to labeling and other restrictions and market withdrawal and we may be subject to penalties if we fail to comply with regulatory requirements or experience unanticipated problems with our products.

If regulatory approval is granted, ABP-450 will be subject to continual regulatory review by the FDA, the EMA and other similar regulatory authorities. Any regulatory approvals that we or our current or future collaborators receive for ABP-450 in any currently proposed or future therapeutic indication may also be subject to limitations on the approved indications for which the product may be marketed or to the conditions of approval, or such approvals may contain requirements for potentially costly post-marketing testing, including Phase IV clinical studies, and surveillance to monitor the safety and efficacy of the product. In addition, if the applicable regulatory agency approves ABP-450 in any therapeutic indication, the manufacturing processes, labeling, packaging, distribution, adverse event reporting, storage, advertising, promotion and recordkeeping for the product will be subject to extensive and ongoing regulatory requirements. These requirements include submissions of safety and other post-marketing information and reports and registration, as well as continued compliance with cGMP requirements and GCPs, for any clinical studies that we conduct post-approval. Later discovery of previously unknown problems with ABP-450, including adverse events of unanticipated severity or frequency, or with our third-party manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may result in, among other things:

- **the imposition of restrictions on the marketing or manufacturing of the product, suspension or withdrawal of product approvals or revocation of necessary licenses;**
- **the issuance of warning letters, show cause notices or untitled letters describing alleged violations, which may be publicly available;**
- **mandated modifications to promotional materials or a requirement to provide corrective information to healthcare practitioners;**
- **required revisions to the labeling, including limitation on approved uses or the addition of additional warnings, contraindications or other safety information;**
- **a requirement to enter into a consent decree, which can include imposition of various fines, reimbursements for inspection costs, required due dates for specific actions and penalties for noncompliance;**
- **the commencement of criminal investigations and prosecutions;**
- **the suspension of any ongoing clinical studies;**
- **a delay in approving or a refusal to approve pending applications or supplements to approved applications filed by us;**
- **a refusal to permit products or active ingredients to be imported or exported to or from the United States or other applicable jurisdictions;**
- **a suspension of operations or the imposition of restrictions on operations, including costly new manufacturing requirements;**
- **a seizure or detention of products or a requirement that we initiate a product recall; and**
- **injunctions or the imposition of civil or criminal penalties.**

Additionally, if ABP-450 receives marketing approval for any of our proposed indications, the FDA could require us to adopt a REMS to ensure that the benefits of the therapy outweigh its risks, which may include, among other things, a medication guide outlining the risks for distribution to patients and a communication plan to health care practitioners. Authorities in other jurisdictions also may take similar actions. Any of these events could prevent us from achieving or maintaining market acceptance of ABP-450 in the proposed therapeutic indications and could significantly harm our business, prospects, financial condition and results of operations.

Regulatory policies may change and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of ABP-450 in any of our proposed therapeutic indications. We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action, either in the United States or abroad. If we are slow to or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained and we may not achieve or sustain profitability, which would adversely affect our business, prospects, financial condition and results of operations.

In addition, given the similarity of ABP-450 to Jeuveau, any adverse developments with respect to Jeuveau, including adverse events or changes in regulatory status, may also directly impact the development, commercialization or regulation of ABP-450, if approved.

Even if we receive marketing approval, coverage and adequate reimbursement may not be available for ABP-450 in any currently proposed or future therapeutic indications, which could make it difficult for us to sell the product profitably.

Market acceptance and sales of ABP-450, if approved, will depend in part on the extent to which reimbursement for the product and related treatments will be available from third-party payors, including government health administration authorities, managed care organizations and other private health insurers.

Obtaining coverage and adequate reimbursement approval for a product from a government or other third-party payor is a time-consuming and costly process that could require us to provide supporting scientific, clinical and cost-effectiveness data for the use of our products to the payor.

Third-party payors decide which therapies they will pay for and establish reimbursement levels. While no uniform policy for coverage and reimbursement exists in the United States, third-party payors often rely upon Medicare coverage policy and payment limitations in setting their own coverage and reimbursement policies. However, decisions regarding the extent of coverage and amount of reimbursement to be provided for ABP-450 will be made on a payor-by-payor basis. Therefore, one payor's determination to provide coverage for a product does not assure that other payors will also provide coverage, and adequate reimbursement, for the product or any related treatments. Additionally, a third-party payor's decision to provide coverage for a therapy does not imply that an adequate reimbursement rate will be approved. Each payor determines whether or not it will provide coverage for a therapy, what amount it will pay the manufacturer for the therapy and on what tier of its formulary it will be placed. The position on a payor's list of covered drugs and biological products, or formulary, generally determines the co-payment that a patient will need to make to obtain the therapy and can strongly influence the adoption of such therapy by patients and physicians. Patients who are prescribed treatments for their conditions and providers prescribing such services generally rely on third-party payors to reimburse all or part of the associated healthcare costs. Patients are unlikely to use our products unless coverage is provided and reimbursement is adequate to cover a significant portion of the cost of our products. In addition, because certain of our proposed indications of ABP-450 will require the product to be physician-administered, separate reimbursement for the product itself may or may not be available. Instead, the administering physician may only be reimbursed for providing the treatment or procedure in which our product is used.

There may be significant delays in obtaining such coverage and reimbursement for newly approved products, and coverage may be more limited than the purposes for which the product is approved by the FDA. Moreover, eligibility for coverage and reimbursement does not imply that a product will be paid for in all cases or at a rate that covers our costs, including research, development, intellectual property, manufacture, sale and distribution expenses. Interim reimbursement levels for new products, if applicable, may also not be sufficient to cover our costs and may not be made permanent. Reimbursement rates may vary according to the use of the product and the clinical setting in which it is used, may be based on reimbursement levels already set for lower cost products and may be incorporated into existing payments for other services. Net prices for products may be reduced by mandatory discounts or rebates required by government healthcare programs or private payors, by any future laws limiting pharmaceutical prices and by any future relaxation of laws that presently restrict imports of product from countries where they may be sold at lower prices than in the United States.

Third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications. We cannot be sure that coverage and reimbursement will be available for any product that we commercialize and, if reimbursement is available, what the level of reimbursement will be. Inadequate coverage and reimbursement may impact the demand for, or the price of, any product for which we obtain marketing approval. If coverage and adequate reimbursement are not available, or are available only at limited levels, we may not be able to successfully commercialize ABP-450.

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Outside the United States, international operations are generally subject to extensive governmental price controls and other market regulations, and we believe a continued emphasis on cost containment initiatives in Europe, Canada and other countries could continue to put pressure on the pricing and usage of our product candidates. In many countries, the prices of medical products are subject to varying price control mechanisms as part of national health systems. Other countries allow companies to fix their own prices for medical products, but monitor and control company profits. Additional foreign price controls or other changes in pricing regulation could restrict the amount that we are able to charge for our product candidates. Accordingly, in markets outside the United States, the reimbursement for our products may be reduced compared with the United States and may be insufficient to generate commercially reasonable revenue and profits.

The delivery of health care in the European Union, including the establishment and operation of health services and the pricing and reimbursement of medicines, is almost exclusively a matter for national, rather than European Union, law and policy. National governments and health service providers have different priorities and approaches to the delivery of healthcare and the pricing and reimbursement of products in that context. In general, however, the health care budgetary constraints in most European Union member states have resulted in restrictions on the pricing and reimbursement of medicines by relevant health service providers. Coupled with ever increasing European Union and national regulatory burdens on those wishing to develop and market products, this could prevent or delay marketing approval of our product candidates, restrict or regulate post approval activities and affect our ability to commercialize any products for which we obtain marketing approval.

Moreover, increasing efforts by governmental and third party payors in the European Union, the United States and other jurisdictions to cap or reduce health care costs may cause such organizations to limit both coverage and the level of reimbursement for newly approved products and, as a result, they may not cover or provide adequate payment for our product candidates. We expect to experience pricing pressures in connection with the sale of any of our product candidates due to the trend toward managed health care, the increasing influence of health maintenance organizations and additional legislative changes. The downward pressure on health care costs in general, particularly prescription drugs and surgical procedures and other treatments, has become very intense. As a result, increasingly high barriers are being erected to the entry of new products.

ABP-450, if approved in any currently proposed or future therapeutic indications, will face significant competition and our failure to effectively compete may prevent us from achieving significant market penetration and expansion.

The pharmaceutical industry is highly competitive and requires an ongoing, extensive search for technological innovation. It also requires, among other things, the ability to effectively discover, develop, test and obtain regulatory approvals for novel products, as well as the ability to effectively commercialize, market and promote approved products, including communicating the effectiveness, safety and value of products to actual and prospective customers and medical professionals. Numerous companies are engaged in the development, manufacture and marketing of products competitive with those that we are developing.

Our primary competitors for ABP-450 in the injectable botulinum toxin pharmaceutical market for therapeutic use are:

- **Botox, which is marketed by Allergan, and since its original approval by the FDA in 1989 has been approved for multiple therapeutic indications, including migraine, cervical dystonia, upper and lower limb spasticity, strabismus, blepharospasm, overactive bladder, axillary hyperhidrosis, neurogenic detrusor overactivity and overactive bladder, and which is currently studying its botulinum toxin for therapeutic indications of atrial fibrillation;**

- **Dysport, which is marketed by Ipsen Ltd. As an injectable botulinum toxin for the therapeutic indications of cervical dystonia and upper and lower limb spasticity, and which is currently studying its botulinum toxin for therapeutic indications of neurogenic detrusor overactivity;**
- **Xeomin, which is marketed by Merz Pharmaceuticals, LLC as an injectable botulinum toxin for the therapeutic indications of cervical dystonia, blepharospasm, chronic sialorrhea and upper limb spasticity; and**
- **Revance Therapeutics, Inc., or Revance, which is currently studying, preparing BLA submissions for and/or has received approval for, its injectable botulinum toxin, daxibotulinumtoxinA, for the therapeutic indications of cervical dystonia and adult upper limb spasticity, and which has also entered into a collaboration and license agreement with Viatris Inc. to develop and commercialize a biosimilar to Botox.**

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We are also aware of competing botulinum toxins currently being developed or commercialized in the United States, European Union, Asia, South America and other markets. While some of these products may not meet United States regulatory standards, the companies operating in these markets may be able to produce products at a lower cost than United States and European manufacturers. In addition to the injectable botulinum toxin dose forms, we are aware that other companies are developing topical botulinum toxins for therapeutic indications. We will also face competition in our target therapeutic markets from other pharmaceutical products.

For the treatment of cervical dystonia, in addition to other injectable botulinum toxins, we will face competition from orally administered anticholinergic, GABA receptor agonist, benzodiazepine, dopaminergic and anticonvulsant pharmaceuticals. For the treatment of migraine, we will face competition from calcitonin gene-related peptide agonists, or CGRPs, including Aimovig (erenumab) marketed by Amgen Inc., Ajovy (fremenezumab) marketed by Teva Pharmaceutical Industries Ltd., and Emgality (galcenezumab) marketed by Eli Lilly and Company, as well as certain orally administered anti-epileptic, beta-blocker and triptan pharmaceuticals. The FDA has also accepted a New Drug Application for vazegepant, marketed by Pfizer Inc., to be used as an intranasal formulation for both the acute treatment and prevention of migraine. For the treatment of gastroparesis, we will face competition from prokinetic agents, including REGLAN (metoclopramide), which is the only medication currently approved by FDA for the treatment of gastroparesis. Many of our competitors have greater financial and other resources than we have. This enables them, among other things, to leverage their financial resources to make greater R&D, marketing and promotion investments than us. Our competitors may also have more experience and expertise in obtaining marketing approvals from the FDA and other regulatory authorities. Our technologies and products may be rendered obsolete or uneconomical by technological advances or entirely different approaches developed by one or more of our competitors. For example, Revance has published data related to the treatment of cervical dystonia that indicates that its botulinum toxin may have a duration of effect of at least 24 weeks, which may compare favorably to the duration of effect of ABP-450. As more companies develop new intellectual property in our markets, the possibility of a competitor acquiring patent or other rights that may limit our products or potential products increases, which could lead to litigation. In addition to product development, testing, approval and promotion, other competitive factors in the pharmaceutical industry include industry consolidation, product quality and price, product technology, reputation, customer service and access to technical information.

If approved, ABP-450 may face competition sooner than anticipated.

With the enactment of the Biologics Price Competition and Innovation Act of 2009, or the BPCIA, as part of the Patient Protection and Affordable Care Act, an abbreviated pathway for the approval of biological products that are biosimilar to or interchangeable with an FDA-licensed reference biological product was created. The abbreviated regulatory pathway establishes legal authority for the FDA to review and approve biosimilar biologics. Under the BPCIA, an application for a biosimilar product may not be submitted to the FDA until four years following the date that the reference product was first licensed by the FDA. In addition, the approval of a biosimilar product may not be made effective by the FDA until twelve years from the date on which the reference product was first licensed. During this twelve-year period of exclusivity, another company may still market a competing version of the reference product if the FDA approves a full BLA for the competing product

containing the sponsor's own preclinical data and data from adequate and well-controlled clinical studies to demonstrate the safety, purity and potency of their product. The law is complex and is still being interpreted and implemented by the FDA. As a result, its ultimate impact, implementation, and meaning are subject to uncertainty. While it is uncertain when such processes intended to implement the BPCIA may be fully adopted by the FDA, any such processes could have a material adverse effect on the future commercial prospects for our biological products.

We have not determined whether ABP-450 would qualify for the twelve-year period of exclusivity based on submission of an original BLA, a shorter period or any exclusivity at all. Even if we are able to obtain separate twelve-year exclusivity, or a shorter exclusivity period, there is a risk that any exclusivity could be shortened due to congressional action or otherwise, that the FDA attempts to adopt an alternate interpretation of law that precludes exclusivity, or that the FDA will not consider ABP-450 to be a reference product for competing products, potentially creating the opportunity for competition sooner than anticipated. Moreover, the extent to which a biosimilar product, once approved, will be substituted for any one of our reference products in a way that is similar to traditional generic substitution for non-biological products is not yet clear and will depend on a number of marketplace and regulatory factors that are still developing. If we are unable to obtain an original BLA, and ABP-450 receives a supplemental BLA, we would not qualify for the exclusivity period.

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If we are unable to establish sales and marketing capabilities on our own or through third parties, we will be unable to successfully commercialize ABP-450, if approved in any proposed therapeutic indication, or generate product revenue.

We do not have a sales or marketing infrastructure and have little experience in the sale, marketing, or distribution of pharmaceutical products. To successfully commercialize ABP-450, if approved in any proposed therapeutic indication, in the United States, the European Union, Canada and other jurisdictions we may seek to enter, we will need to build out our sales and marketing capabilities, either on our own or with others. The establishment and development of our own commercial team or the establishment of a contract sales force to market ABP-450 will be expensive and time-consuming and may divert significant management focus and resources, potentially delaying any product launch. Moreover, we cannot be certain that we will be able to successfully develop this capability, given that we have no experience as a company in commercializing products. We may seek to enter into collaborations with other entities to utilize their established marketing and distribution capabilities, but we may be unable to enter into or maintain such agreements on favorable terms or at all. We can provide no assurance that any future collaborators will provide effective sales forces or marketing and distribution capabilities. We compete with many companies that currently have extensive, experienced and well-funded marketing and sales operations to recruit, hire, train and retain marketing and sales personnel, and will have to compete with those companies to recruit, hire, train and retain any of our own marketing and sales personnel. We will likely also face competition if we seek third parties to assist us with the sales and marketing efforts of ABP-450 in our proposed therapeutic indications. Without an internal team or the support of a third party to perform marketing and sales functions, we may be unable to compete successfully against these more established companies.

We will need to grow the size of our organization, and we may experience difficulties in managing this growth.

As of December 31, 2023, we had ten employees. As the clinical development of ABP-450 progresses, we also expect to experience significant growth in the number of our employees and the scope of our operations, particularly in the areas of research, development, regulatory affairs and, if ABP-450 receives marketing approval for any of our proposed indications, sales, marketing and distribution. In addition, we also expect to hire additional personnel in order to operate as a public company. To manage our anticipated future growth, we must continue to implement and improve our managerial, operational and financial systems, expand our facilities, and continue to recruit and train additional qualified personnel. In addition, we must effectively integrate, develop and motivate a growing number of new employees, and maintain the beneficial aspects of our corporate culture. The expansion of our operations may lead to significant costs and may divert our management and business development resources. We may not be able to effectively manage the expansion of our operations or recruit and train additional qualified personnel. Any inability to manage growth could delay the execution of our development and strategic objectives or disrupt our operations.

We currently rely, and for the foreseeable future will continue to rely, in substantial part on third parties, including independent organizations, advisors and consultants, and CROs to provide certain services to support and perform our operations. There can be no assurance that the services of these third parties will continue to be available to us on a timely basis when needed, or that we can find qualified replacements. In addition, if we are unable to effectively manage our outsourced activities or if the quality, accuracy or quantity of the services provided, in particular the services provided by our CROs, is compromised for any reason, our clinical studies may be delayed or terminated, and we may not be able to obtain, or may be substantially delayed in obtaining, regulatory approval of ABP-450 in any of our proposed therapeutic indications or otherwise advance our business. There can be no assurance that we will be able to manage our existing consultants or find other suitable outside contractors and consultants on economically reasonable terms, or at all.

Our employees, independent contractors, consultants, commercial collaborators, principal investigators, vendors and other agents may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements.

We are exposed to the risk that our employees, independent contractors, consultants, commercial collaborators, principal investigators, vendors and other agents may engage in fraudulent conduct or other illegal activity. Misconduct by these parties could include intentional, reckless or negligent conduct or disclosure of unauthorized activities to us that violates applicable regulations, including those laws requiring the reporting of true, complete and accurate information to regulatory agencies, manufacturing standards, and federal and state healthcare laws and regulations. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, kickbacks, self-dealing and other abusive practices. We could face liability under the federal Anti-Kickback Statute and similar state laws. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, referrals, customer incentive programs and other business arrangements. Misconduct by these parties could also involve the improper use of individually

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identifiable information, including, without limitation, information obtained in the course of clinical studies, which could result in significant regulatory sanctions and serious harm to our initial reputation. Further, should violations include promotion of unapproved (off-label) uses of one or more of our products, we could face significant regulatory sanctions for unlawful promotion, as well as substantial penalties under the federal False Claims Act, or FCA, and similar state laws. Similar concerns could exist in jurisdictions outside of the United States as well. We adopted, in connection with the completion of the Business Combination, a code of conduct applicable to all of our employees, but it is not always possible to identify and deter misconduct by employees and other third parties, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with these laws or regulations. The precautions we take to detect and prevent misconduct may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, combination. including the imposition of civil, criminal and administrative penalties, damages, monetary fines, imprisonment, possible exclusion from participation in Medicare, Medicaid and other federal healthcare programs, additional reporting requirements and oversight if we become subject to a corporate integrity agreement or similar agreement to resolve allegations of noncompliance with these laws, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of our operations, any of which could adversely affect our ability to operate our business, financial condition and results of operations.

Our proposed international operations will expose us to risks, and failure to manage these risks may adversely affect our operating results and financial condition.

We expect to have operations both inside and outside the United States if ABP-450 is approved for commercial sale in multiple jurisdictions. International operations are subject to a number of inherent risks, and our future results could be adversely affected by a number of factors if we seek and obtain the necessary approvals, including:

- requirements or preferences for domestic products, which could reduce demand for our products;
- differing existing or future regulatory and certification requirements;
- management communication and integration problems resulting from cultural and geographic dispersion;
- greater difficulty in collecting accounts receivable and longer collection periods;
- difficulties in enforcing contracts;
- difficulties and costs of staffing and managing non-United States operations;
- the uncertainty of protection for intellectual property rights in some countries;
- tariffs and trade barriers, export regulations and other regulatory and contractual limitations on our ability to sell our products;
- more stringent data protection standards in some countries;
- regulatory concerns limiting ability to import or export products;
- greater risk of a failure of foreign employees to comply with both United States and foreign laws, including export and antitrust regulations, the United States Foreign Corrupt Practices Act, or the FCPA, quality assurance and other healthcare regulatory requirements and any trade regulations ensuring fair trade practices;
- heightened risk of unfair or corrupt business practices in certain geographies and of improper or fraudulent sales arrangements that may impact financial results and result in restatements of, or irregularities in, financial statements;
- foreign currency exchange rates;
- potentially adverse tax consequences, including multiple and possibly overlapping tax structures and difficulties relating to repatriation of cash; and

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- political and economic instability, political unrest and terrorism. These and other factors associated with international operations could harm our ability to gain future revenue and, consequently, materially impact our business, results of operations and financial condition.

If product liability lawsuits are brought against us, we may incur substantial liabilities and may be required to limit commercialization of ABP-450.

We face an inherent risk of product liability as a result of the clinical testing of ABP-450 and will face an even greater risk if we commercialize any products. For example, we may be sued if any product we develop allegedly causes injury or is found to be otherwise unsuitable during product testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, negligence, strict liability and a breach of warranties. Claims could also be asserted under state consumer protection acts. If we cannot successfully defend ourselves against product liability claims, we may incur substantial liabilities or be required to limit commercialization of our products. Even a successful defense would require significant financial and management resources. Regardless of the merits or eventual outcome, liability claims may result in:

- decreased demand for ABP-450;
- termination of clinical study sites or entire study programs;
- injury to our reputation and significant negative media attention;
- withdrawal of clinical study participants or cancellation of clinical studies;
- significant costs to defend the related litigation;

- a diversion of management's time and our resources;
- substantial monetary awards to study participants or patients;
- regulatory investigations, product recalls, withdrawals or labeling, marketing or promotional restrictions;
- loss of revenue;
- the inability to commercialize any products we develop; and
- a decline in our share price.

Our inability to obtain and maintain sufficient product liability insurance at an acceptable cost and scope of coverage to protect against potential product liability claims could prevent or inhibit the commercialization of ABP-450 in any current or future proposed therapeutic indication. We currently carry product liability insurance covering our clinical studies. Although we maintain such insurance, any claim that may be brought against us could result in a court judgment or settlement in an amount that is not covered, in whole or in part, by our insurance or that is in excess of the limits of our insurance coverage. Our insurance policies also have various exclusions and deductibles, and we may be subject to a product liability claim for which we have no coverage. We will have to pay any amounts awarded by a court or negotiated in a settlement that exceed our coverage limitations or that are not covered by our insurance, and we may not have, or be able to obtain, sufficient capital to pay such amounts. Moreover, in the future, we may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts to protect us against losses. If and when we obtain approval for marketing ABP-450, we intend to expand our insurance coverage to include the sale of ABP-450; however, we may be unable to obtain this liability insurance on commercially reasonable terms.

If we fail to complete attract and keep senior management and key scientific personnel, we may be unable to successfully develop ABP-450 in any of our initial business combination, proposed therapeutic indications, conduct our clinical studies and commercialize ABP-450.

Our success depends in part on our continued ability to attract, retain and motivate highly qualified management. We believe that our future success is highly dependent upon the contributions of our senior management, particularly Marc Forth, our Chief Executive Officer, as well as other members of our senior management team. The loss of services of any of these individuals could delay or prevent the successful development of our product pipeline, completion of our planned clinical studies or the commercialization of ABP-450 in each of our therapeutic indications or any future products we will never generate any operating revenues. develop.

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In addition, we could experience difficulties attracting and retaining qualified employees in the future. For example, competition for qualified personnel in the pharmaceuticals field is intense due to the limited number of individuals who possess the skills and experience required by our industry. We may not be able to attract and retain quality personnel on acceptable terms, or at all. In addition, to the extent we hire personnel from competitors, we may be subject to allegations that they have been improperly solicited or that they have divulged proprietary or other confidential information or that their former employers own their research output.

Our independent registered public accounting firm's report contains business involves the use of hazardous materials, and we and our third-party manufacturer and supplier must comply with environmental laws and regulations, which can be expensive and restrict how we do business.

Our R&D and manufacturing activities in the future may, and Daewoong's manufacturing and supplying activities presently do, involve the controlled storage, use and disposal of hazardous materials, including botulinum toxin type-A, a key component of ABP-450, and other hazardous compounds. We and Daewoong are subject to laws and regulations governing the use, manufacture, storage, handling and disposal of these hazardous materials. In some cases, these hazardous materials and various wastes resulting from their use are stored at Daewoong's facilities pending their use and disposal. We and Daewoong cannot eliminate the risk of contamination, which could cause an explanatory paragraph interruption of Daewoong's

manufacturing processes, our commercialization efforts or our business operations and could cause environmental damage resulting in costly clean-up and liabilities under applicable laws and regulations governing the use, storage, handling and disposal of these materials and specified waste products. Although we believe that expresses substantial doubt about the safety procedures utilized by Daewoong for handling and disposing of these materials generally comply with the standards prescribed by these laws and regulations, this may not eliminate the risk of accidental contamination or injury from these materials. In such an event, we may be held liable for any resulting damages and such liability could exceed our resources, and state or federal or other applicable authorities may curtail our use of certain materials and interrupt our business operations. Furthermore, environmental laws and regulations are complex, change frequently and have tended to become more stringent.

Our ability continue to use our net operating loss carryforwards and certain other tax attributes may be limited.

Under Sections 382 and 383 of the Code, if a corporation undergoes an "ownership change," generally defined as a "going concern."

greater than 50 percentage point change (by value) in its equity ownership by one or more 5% shareholders over a rolling three-year period, the corporation's ability to use its pre-change net operating loss carryforwards, or NOLs, and other pre-change tax attributes, such as research tax credits, to offset its post- change taxable income or income tax liabilities, as applicable, may be limited. As of December 31, 2023 (Successor) and December 31, 2022 (Predecessor), the Company had $67,909.00 $87.3 million and $67.5 million of federal NOLs available to offset our future federal taxable income, if any, and federal research and development tax credit carryforwards of $6.1 million and $3.9 million, respectively. These federal research and development tax credit carryforwards and our federal NOLs expire at various dates in 2039 and 2036, respectively. The Company had $116.2 million and $67.4 million of state NOLs as of December 31, 2023 (Successor) and December 31, 2022 (Predecessor), respectively. We may experience ownership changes in the future as a result of subsequent shifts in our stock ownership. As a result, if we earn net taxable income, our ability to use our pre-change NOLs to offset federal taxable income may be subject to limitations, which could potentially result in increased future tax liability to us. Similar rules may apply under state tax laws. In addition, at the state level, there may be periods during which the use of NOLs is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed.

Changes in tax laws may impact our future financial position and results of operations.

New income, sales, use or other tax laws, statutes, rules, regulations or ordinances could be enacted at any time, or interpreted, changed, modified or applied adversely to us, any of which could adversely affect our business operations and financial performance. We are currently unable to predict whether such changes will occur and, if so, the ultimate impact on our business. To the extent that such changes have a negative impact on us or our suppliers, including as a result of related uncertainty, these changes may materially and adversely impact our business, financial condition, results of operations and cash flows.

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Prior to the Business Combination, Priveterra identified material weaknesses in its internal control over financial reporting. In 2024, AEON identified additional material weaknesses in its internal control over financial reporting related to fiscal year 2023. One or more of these material weaknesses could adversely affect our ability to report our results of operations and financial condition accurately and in a timely manner, which may adversely affect investor confidence in us and materially and adversely affect our business and operating results.

Prior to consummation of the Business Combination, Priveterra management identified a material weakness in its internal control over financial reporting, related to Priveterra's accounting for complex financial instruments. In 2024, AEON management identified additional material weaknesses in its internal control over financial reporting related to its fiscal year 2023, related to the Business Combination and for the valuation of complex financial instruments. To respond to the material weaknesses, we have devoted and plan to continue to devote, significant effort and resources to the remediation and improvement of our internal control over financial reporting. While we have processes to identify and appropriately apply

applicable accounting requirements, we plan to enhance these processes to better evaluate our research and understanding of the nuances of the complex accounting standards that apply to our consolidated financial statements. Our plans at this time include providing enhanced access to accounting literature, research materials and documents, and increased communication among our personnel and third-party professionals with whom we consult regarding complex accounting applications. The elements of our remediation plan can only be accomplished over time, and we can offer no assurance that these initiatives will ultimately have the intended effects.

We may face an excise tax liability as a result of redemptions of Priveterra Class A common stock prior to and in connection with the Business Combination.

The Inflation Reduction Act of 2022 provides for, among other measures, a new 1% U.S. federal excise tax on certain repurchases (including redemptions) of stock by publicly traded domestic (i.e., U.S.) corporations. Because Priveterra was a Delaware corporation with securities trading on Nasdaq prior to the Business Combination, Priveterra was a "covered corporation" for this purpose. The excise tax is imposed on the repurchasing corporation itself, not its stockholders from whom the shares are repurchased. The amount of the excise tax is generally 1% of the excess of (i) the fair market value of the shares repurchased reduced by (ii) the fair market value of stock issued by the repurchasing corporation in the same year. In addition, certain exceptions apply to the excise tax. The U.S. Department of the Treasury (the "Treasury") has been given authority to provide regulations and other guidance to carry out, and prevent the abuse or avoidance of, the excise tax.

A total of 27,042,840 shares of Priveterra Class A common stock were redeemed in 2023 in connection with Priveterra's special meetings held in February 2023 and July 2023, respectively. Whether and to what extent we are ultimately subject to the excise tax in connection with these redemptions will depend on a number of factors, including (i) the fair market value of such redemptions, together with any other redemptions or repurchases consummated by us in 2023, (ii) the nature and amount of any equity issuances made by us and Priveterra in 2023 (including the shares of Priveterra Class A common stock issued in the Business Combination and any subsequent issuances we may make in 2023), and (iii) legal uncertainties regarding how the excise tax applies to transactions like the Business Combination and the content of final and proposed regulations and further guidance from the U.S. Department of the Treasury. Any excise tax would be payable by us, and the mechanics of any required payment of the excise tax are not clear.

Risks Related to our Reliance on Third Parties

We rely on the Daewoong Agreement to provide us exclusive rights to commercialize and distribute ABP-450 in certain territories. Any termination or loss of significant rights, including exclusivity, under the Daewoong Agreement would materially and adversely affect our development or commercialization of ABP-450.

Pursuant to the Daewoong Agreement, we have secured an exclusive license from Daewoong, a South Korean pharmaceutical manufacturer, to import, distribute, promote, market, develop, offer for sale and otherwise commercialize and exploit ABP-450 for therapeutic indications in certain territories including the United States, the European Union, the United Kingdom, Canada, Australia, Russia, Commonwealth of Independent States and South Africa. The Daewoong Agreement imposes on us obligations relating to exclusivity, territorial rights, development, regulatory approval, commercialization, payment, diligence, sublicensing, intellectual property protection and other matters. For example, we are obligated to use commercially reasonable efforts to obtain regulatory approval of ABP-450 and obtain from Daewoong all of our product supply requirements for ABP-450. In addition, under the Daewoong Agreement, we are required to submit our commercialization plan to a Joint Steering Committee, or JSC, comprised of an equal number of development and commercial representatives from Daewoong and us, for review and input.

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Although the Daewoong Agreement provides us with final decision-making power regarding the marketing, promotion, sale and/or distribution of ABP-450, any disagreement among the JSC would be referred to Daewoong's and our respective senior management for resolution if the JSC is unable to reach a decision within thirty days, which may result in a delay in our ability

to implement our commercialization plan or harm our working relationship with Daewoong. Further, under the Daewoong Agreement, we may not purchase, sell or distribute any injectable botulinum toxin that is launched in the covered territories after the effective date of the Daewoong Agreement other than ABP-450 in a covered territory or sell ABP-450 outside a covered territory.

The initial term of the Daewoong Agreement will expire on the later of December 20, 2029 or the fifth anniversary of our receipt of approval from the relevant governmental authority necessary to market and sell ABP-450 in any of the aforementioned territories. The Daewoong Agreement will renew for unlimited additional three-year terms after the expiration of the initial term. We or Daewoong may terminate the Daewoong Agreement if the other party breaches any of its duties or obligations and such breach continues without cure for ninety days, or thirty days in the case of a payment default, or, if such breach is not capable of being cured, immediately by delivery of written notice. The Daewoong Agreement will terminate without notice upon our bankruptcy or insolvency or if we assign our business or the Daewoong Agreement in whole or in part for the benefit of creditors. On March 19, 2024, we entered into a Fourth Amendment to the Daewoong Agreement (the "Daewoong Agreement Amendment") with Daewoong, which amends the Daewoong Agreement to provide that Daewoong may terminate the Daewoong Agreement if, over any six month period, (a) we cease to commercialize ABP-450 in each of the territories specified in the License Agreement and (b) we cease to advance any clinical studies of ABP-450 any such territories. The Daewoong Agreement Amendment also provides that, in the event that the License Agreement is terminated for the foregoing reasons or due to the commencement of bankruptcy proceedings, Daewoong will have the right to purchase all Know-How (as defined in the License Agreement) related to ABP-450 for a price of $1.00 (the "Termination Purchase Right"). The Termination Purchase Right will terminate and expire upon Daewoong's sale of 50% of its common stock, including common stock held by its affiliates and common stock that would be issued upon an Automatic Conversion or Optional Conversion of the Convertible Notes (as defined in the Convertible Notes).

We will be the sole owner of any marketing authorization we pursue related to therapeutic indications of ABP-450 in a covered territory. This will include ownership of any BLA that we may submit to the FDA, MAA that we may submit to the EMA, NDS that we may submit to Health Canada, and any other approvals that we may receive in a covered territory. However, if we do not renew the Daewoong Agreement following any initial or renewal term, or if Daewoong terminates the Daewoong Agreement due to a breach by us, we are obligated to transfer our rights in such marketing authorizations to Daewoong.

If we breach any material obligations, or use the intellectual property licensed to us in an unauthorized manner, we may be required to pay damages to Daewoong and Daewoong may have the right to terminate our license. Any termination or loss of rights under the Daewoong Agreement would materially and adversely affect our ability to develop and commercialize ABP-450, which in turn would have a material adverse effect on our business, operating results and prospects. If we were to lose our rights under the Daewoong Agreement, we believe it would be difficult or impossible for us to find an alternative supplier of a botulinum toxin type-A complex. In addition, to the extent the alternative supplier has not secured regulatory approvals in a jurisdiction, we would have to expend significant resources, including performing additional clinical studies, to obtain regulatory approvals that may never be obtained or require several years to obtain, which could significantly delay commercialization. We may be unable to raise additional capital to fund our operations during this extended time on terms acceptable to us or at all. If we were to commercialize ABP-450 and later experience delays as a result of a dispute with Daewoong, the demand for ABP-450 could be materially and adversely affected. For more information on the Daewoong Agreement, including a further explanation of our obligations, please see "*Business — Daewoong License and Supply Agreement*."

We currently rely solely on Daewoong to manufacture ABP-450, and as such, any production or other problems with Daewoong could adversely affect us. The manufacture of biologics is complex and Daewoong may encounter difficulties in production that may impact our ability to provide supply of ABP-450 for clinical studies, our ability to obtain marketing approval, or our ability to obtain commercial supply of our products, which, if approved, could be delayed or stopped.

We have no experience in biologic manufacturing and do not own or operate, and we do not expect to own or operate, facilities for product manufacturing, storage and distribution, or testing. We depend solely upon Daewoong to manufacture ABP-450. Any failure or refusal by Daewoong to supply ABP-450 could delay, prevent or impair our clinical development or commercialization efforts. The Daewoong Agreement also provides for a fixed price related to the supply of ABP-450 for ten years or for five years after the receipt of regulatory approvals, and if a change in price were to occur, it could impair our ability to obtain necessary quantities of ABP-450. Although alternative sources of supply may exist, the number of third-party suppliers with the necessary manufacturing and regulatory expertise and facilities is limited, and it could be expensive and take a significant amount of time to arrange for alternative

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suppliers, which could have a material adverse effect on our business. New suppliers of any product candidate would be required to qualify under applicable regulatory requirements and would need to have sufficient rights under applicable intellectual property laws to the method of manufacturing the product candidate. Obtaining the necessary FDA approvals or other qualifications under applicable regulatory requirements and ensuring non- infringement of third-party intellectual property rights could result in a significant interruption of supply and could require the new manufacturer to bear significant additional costs which may be passed on to us. We will also need to verify, such as through a manufacturing comparability study, that any new contract manufacturing organization or manufacturing process will produce our product candidate according to the specifications previously submitted to the FDA or another regulatory authority. We may be unsuccessful in demonstrating the comparability of clinical suppliers which could require conducting additional clinical studies.

In addition, there are risks associated with large scale manufacturing for clinical studies or commercial scale including, among others, cost overruns, potential problems with process scale-up, process reproducibility, stability issues, compliance with good manufacturing practices, lot consistency and timely availability of raw materials. Even if we obtain marketing approval for ABP-450, there is no assurance that Daewoong will be able to manufacture the approved product to specifications acceptable to the FDA or other comparable foreign regulatory authorities, to produce it in sufficient quantities to meet the requirements for the potential commercial launch of the product or to meet potential future demand. If Daewoong is unable to produce sufficient quantities for clinical studies, including preclinical studies, or for commercialization, our development and commercialization efforts would be impaired, which would have an adverse effect on our business, financial condition, results of operations and growth prospects.

Our reliance on Daewoong entails additional risks, including reliance on Daewoong for regulatory compliance and quality assurance, the possible breach of the Daewoong Agreement by Daewoong, and the possible termination or nonrenewal of the Daewoong Agreement at a time that is costly or inconvenient for us. Our failure, or the failure of Daewoong, to comply with applicable regulations, such as cGMP, which includes, among other things, quality control, quality assurance and the maintenance of records and documentation, could result in sanctions being imposed on us, including clinical holds, fines, injunctions, civil penalties, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of the product candidate or drugs, import alerts or detentions preventing import of product into the United States or other territories, operating restrictions and criminal prosecutions, any of which could significantly and adversely affect supplies of ABP-450. Our dependence on Daewoong also subjects us to all of the risks related to Daewoong's business, which are all generally beyond our control. Daewoong's ability to perform its obligations under the Daewoong Agreement is dependent on its operational and financial health, which could be negatively impacted by several factors, including changes in the economic, political and legislative conditions in South Korea and the broader region in general and the ability of Daewoong to continue to successfully attract customers and compete in its market. Daewoong's lack of familiarity with, or inability to effectively operate, the facility and produce products of consistent quality, may harm our ability to compete in our market.

In addition, we are ultimately responsible for distribution of products under any authorization or approval we hold to investigate or market ABP-450. We do not own a manufacturing facility and we have never supervised manufacturing operations, but we have regulatory obligations to review batch records and release of the investigational product for our clinical studies. Further, we will have similar regulatory obligations if the product is marketed and could be held responsible for any distribution of adulterated or misbranded ABP-450, even if caused by Daewoong's noncompliance.

The FDA conducted a cGMP and pre-approval inspection of Daewoong's manufacturing facility in South Korea related to Evolus' BLA for Jeuveau from November 8, 2017 to November 17, 2017. At the end of the inspection, the FDA issued an FDA Form 483 with ten inspectional observations of regulatory noncompliance to Daewoong. The Form 483 included observations relating to the need for adherence to improved procedures, processes and documentation relating to investigations of and corrective actions for non-compliance with specifications for batches and components, environmental monitoring, drug substance testing, computer system access, material handling and staff training. Daewoong timely responded to the FDA with a plan for implementing corrective actions related to these observations. Daewoong provided complete responses to the Form 483; however, the time to correct the observations, submit the complete response and FDA review and acceptance of the

responses delayed approval of Evolus' BLA. None of the FDA, Health Canada or the EMA have conducted a repeat inspection of Daewoong manufacturing facility per usual FDA Quality Review Practices to confirm continued compliance with cGMP regulations. A separate pre-licensure inspection may be required for any BLA we submit for any of our product candidates. Should the repeat inspection find serious deviation from cGMP manufacturing regulations, or repeated observations, Daewoong may be required to expend significant time and resources to correct any observations, which could cause delays and adversely affect availability of drug product to support our R&D operations. For example, the FDA is permitted to deny entry of any imported product that "appears" to be adulterated or misbranded, meaning it does not actually need to be violative to be prohibited from entry, just that the FDA believes it might be violative. FDA-483 observations, particularly if

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eventually escalated into an FDA untitled or warning letter, could result in an import alert, which bans entry of a product into the United States until issues are resolved to the FDA's satisfaction, and until the FDA has reinspected the facility to confirm all corrections have been implemented, which could potentially take a considerable amount of time. In addition, failure to have an observation-free inspection during a pre-approval inspection can result in delay or denial or FDA approval. Similar issues could occur in other jurisdictions as well.

Additionally, if Daewoong's facility were to be damaged, destroyed or otherwise unable to operate or comply with regulatory requirements, whether due to earthquakes, fire, floods, hurricanes, storms, tornadoes, other natural disasters, employee malfeasance, terrorist acts, political unrest, power outages or otherwise, or if operations at the facility were disrupted for any other reason, such an event could negatively affect our ongoing preclinical studies and clinical studies and, if ABP-450 is approved, jeopardize Daewoong's ability to manufacture ABP-450 as promptly as we or our customers expect or possibly at all. If an event occurred that prevented Daewoong from using all or a significant portion of its manufacturing facility due to damaged critical infrastructure, or that otherwise disrupted operations, it may be difficult or, in certain cases, impossible for Daewoong to supply enough ABP-450 to continue our business for a substantial period of time.

A material breach by us of the terms of our license and settlement agreement with Medytox, Inc. could have a material adverse effect on our business.

In May 2021, Medytox, Inc., or Medytox, brought a case against Old AEON in the United States District Court for the Central District of California, or the Medytox Litigation, alleging, among other things, that Daewoong stole Medytox's botulinum toxin bacterial strain, or the BTX strain, and misappropriated certain trade secrets of Medytox, including the process used to manufacture ABP-450 using the BTX strain, and that our and Daewoong's activities conducted in the United States gave rise to liability for misappropriation of trade secrets. Medytox sought, among other things, (i) actual, consequential and punitive damages, (ii) a reasonable royalty, as appropriate, (iii) disgorgement of any proceeds or profits, (iv) injunctive relief prohibiting us from using Medytox's trade secrets to manufacture, offer to sell, or sell therapeutic BTX products, including ABP-450, and (v) attorneys' fees and costs.

The Medytox Litigation was another step in an ongoing dispute involving Medytox and Allergan, on the one side, and Evolus, Daewoong and us on the other side. In June 2017, Medytox brought a civil lawsuit of a similar nature against Evolus, Daewoong and us in the Superior Court of the State of California, which we refer to as the Superior Court Litigation, and a separate lawsuit in October 2017 against Daewoong in South Korea, which we refer to as the Korea Litigation. The lawsuit filed in the Superior Court of the State of California alleged claims substantially similar to the Medytox Litigation and was subsequently stayed on grounds of forum non conveniens, because the underlying facts that gave rise to the complaint occurred in South Korea, among other reasons. We are not a party to the Korea Litigation. In April 2018, the Superior Court of the State of California dismissed Medytox's suit against Daewoong without prejudice on the basis that Medytox had brought a substantially similar proceeding against Daewoong in South Korea, and continued a stay of the case as to us and Evolus. In February 2021, the Superior Court of the State of California dismissed Medytox's suit against us without prejudice, following Medytox's filing of a notice of settlement of the case based on a settlement it entered with Evolus.

Additionally, in January 2019, Allergan and Medytox filed a complaint against Daewoong and Evolus with the United States International Trade Commission, or the United States ITC, alleging that the BTX strain used in Evolus' Jeuveau product is manufactured based on misappropriated trade secrets of Medytox and therefore its importation is an unfair act. The Administrative Law Judge issued a final determination in December 2020. The final determination concluded that a violation of Section 337 of the Tariff Act of 1930 had occurred, and the United States ITC issued a limited exclusion order forbidding entry of Jeuveau into the United States for 21 months and a cease and desist order prohibiting Daewoong and Evolus from engaging in the importations, sale for importation, marketing, distribution, offering for sale, the sale after the importation of, or other transfers of Jeuveau within the United States for 21 months. The 21-month ban was stayed as a result of a settlement agreement between Evolus and Medytox in February 2021.

Effective June 21, 2021, we entered into a settlement and license agreement with Medytox, or the Medytox Settlement Agreement, pursuant to which, among other things, Medytox agreed (a) to dismiss all claims against us in the Medytox Litigation, (b) to pursue dismissal of the appeals related to the December 2020 final determination of the United States ITC and agreed that as a result of such dismissal the final determination would be vacated, (c) to file appropriate documents in the Korea Litigation and related actions in support of the terms of the settlement, and (d) not to revive or otherwise pursue the Superior Court Litigation with respect to us. In addition, Medytox granted us a non-exclusive, royalty bearing license to Medytox's botulinum toxin strain and specific trade

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secrets alleged to have been misappropriated in the litigation to commercialize and manufacture specific botulinum neurotoxin products including ABP-450 worldwide, with the exception of South Korea. In exchange for the license, we issued Medytox 26,680,511 shares of Old AEON common stock, par value $0.0001 per share, and agreed to pay Medytox single-digit royalties on the net sales of licensed products for 15 years following our first $1.0 million in commercial sales of neurotoxin products.

Medytox can terminate the Medytox Settlement Agreement if we materially breach any material provision of the agreement, either immediately upon written notice if the breach is incurable or after 60 days if capable of remedy. Additionally, Medytox may terminate the Medytox Settlement Agreement with 15 days of written notice if we or our affiliates or sublicensees challenge the validity, enforceability, scope, or protected status of Medytox's botulinum strain and specific trade secrets alleged to have been misappropriated in the litigation. If the Medytox Settlement Agreement were terminated, Medytox would be able to revive the Medytox Litigation and other claims against us, and may seek an injunction or other ruling against us in the Korea Litigation, any one of which could result in us losing access to ABP-450 and the manufacturing process and require us to negotiate a new license with Medytox for continued access to ABP-450. We may not be able to successfully negotiate such license on terms acceptable to us or at all. If we are unable to license ABP-450, we may not be able to find a replacement product candidate on a timeline favorable to us, if at all, without expending significant resources and being required to seek additional regulatory approvals, which would be uncertain, time consuming and costly.

We rely, and will continue to rely, on third parties and consultants to conduct all of our preclinical studies and clinical studies. If these third parties or consultants do not successfully carry out their contractual duties or meet expected deadlines, we may be unable to obtain regulatory approval for ABP-450.

We do not currently have the ability to independently conduct any preclinical studies or clinical studies. We rely, and will continue to rely, on medical institutions, clinical investigators, contract laboratories, collaborative partners and other third parties, such as CROs, to conduct preclinical studies and clinical studies on ABP-450. The third parties with whom we currently or may in the future contract for execution of any of our preclinical studies and clinical studies play a significant role in the conduct of these studies and the subsequent collection and analysis of data. However, these third parties are not our employees, and except for contractual duties and obligations, we have limited ability to control the amount or timing of resources that they devote to any of our current or future programs. Although we rely on these third parties to conduct our preclinical studies and clinical studies, we remain responsible for ensuring that each of our preclinical studies and clinical studies is conducted in accordance with the investigational plan and protocol. Moreover, the FDA and other similar regulatory

authorities require us to observe both good laboratory practices, or GLP, and animal welfare requirements for preclinical studies, and to comply with GCPs for conducting, monitoring, recording and reporting the results of clinical studies to ensure that the data and results are scientifically credible and accurate, and that the study subjects are adequately informed of the potential risks of participating in clinical studies. We also rely, and will continue to rely, on consultants to assist in the execution, including data collection and analysis, of any of our future clinical studies.

In addition, the execution of preclinical studies and clinical studies, and the subsequent compilation and analysis of the data produced, requires coordination among various parties. In order for these functions to be carried out effectively and efficiently, it is imperative that these parties communicate and coordinate with one another. Moreover, these third parties may also have relationships with other commercial entities, some of which may compete with us. If the third parties or consultants conducting our clinical studies do not perform their contractual duties or obligations, experience work stoppages, do not meet expected deadlines, terminate their agreements with us or need to be replaced, or if the quality or accuracy of the preclinical or clinical data they obtain is compromised due to the failure to adhere to GLPs, or our clinical study protocols or GCPs, or for any other reason, we may need to conduct additional clinical studies or enter into new arrangements with alternative third parties, which could be difficult, costly or impossible, and our preclinical studies and clinical studies may be extended, delayed or terminated or may need to be repeated. Further, any noncompliance that results in data integrity issues could put any regulatory approval we receive at risk of withdrawal, and could subject us to regulatory sanctions due to failure to adequately oversee the third parties we rely upon. If any of the foregoing were to occur, we may not be able to obtain, or may be delayed in obtaining, regulatory approval for and will not be able to, or may be delayed in our efforts to, successfully commercialize ABP-450 in any of our proposed therapeutic indications.

Public health outbreaks, epidemics or pandemics (such as the COVID-19 pandemic) may materially and adversely affect our business and operations.

The COVID-19 pandemic previously adversely affected, and the COVID-19 pandemic or other actual or threatened public health outbreaks, epidemics or pandemics may in the future adversely affect, among other things, our research and development efforts,

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clinical trial operations, manufacturing and supply chain operations, administrative personnel, third-party service providers, and business partners.

While the COVID-19 pandemic did not materially adversely affect our business operations during the twelve months ended December 31, 2023, economic and health conditions in the United States and across most of the globe continue to change rapidly and may materially affect us economically. While the potential economic impact brought by, and the duration of, the COVID-19 pandemic may be difficult to assess or predict, a continuing widespread pandemic could result in significant disruption of global financial markets, reducing our ability to access capital, which could in the future negatively affect our liquidity. In addition, a recession or market correction resulting from the spread of COVID-19 or a future public health outbreak could materially affect our business and the value of our common stock. The ultimate impact of the COVID-19 pandemic or a similar public health outbreak is highly uncertain and subject to change. We do not yet know the full extent of potential delays or impacts on our business, our clinical trials, healthcare systems or the global economy as a whole. However, these effects could have a material adverse effect on our business, results of operations and financial condition.

We may use third-party collaborators to help us develop, validate or commercialize any new products, and our ability to commercialize such products could be impaired or delayed if these collaborations are unsuccessful.

We may license or selectively pursue strategic collaborations for the development, validation and commercialization of ABP-450 in any current or future proposed therapeutic indications. In any third-party collaboration, we would be dependent upon the success of the collaborators in performing their responsibilities and their continued cooperation, and we would have limited control over the amount and timing of resources and effort that our collaborators would dedicate to the development or

commercialization of our product candidates. Our collaborators may not cooperate with us or perform their obligations under our agreements with them at all or as expected. Our collaborators may choose to pursue alternative technologies in preference to those being developed in collaboration with us. The development, validation and commercialization of our current and future product candidates may be delayed if collaborators fail to conduct their responsibilities in a timely manner or in accordance with applicable regulatory requirements or if they breach or terminate their collaboration agreements with us. Our collaborators could also independently develop, or develop with third parties, products that compete directly or indirectly with our product candidates, fail to properly maintain or defend our intellectual property rights or infringe the intellectual property rights of third parties, exposing us to litigation. Disputes with our collaborators could also impair our reputation or result in development and commercialization delays, decreased revenues and could cause litigation expenses.

In addition, we may face significant competition in seeking appropriate collaborators. Whether we reach a definitive agreement for a collaboration will depend, among other things, upon our assessment of the collaborator's resources and expertise, the terms and conditions of the proposed collaboration and the proposed collaborator's evaluation of a number of factors. Those factors may include the design or results of clinical studies, the likelihood of approval by the FDA or similar regulatory authorities outside the United States, the potential market for ABP-450 or our future product candidates in our proposed therapeutic indications, the costs and complexities of manufacturing and delivering ABP-450 or our future product candidates to patients, the potential of competing products, the existence of uncertainty with respect to our ownership of technology, which can exist if there is a challenge to such ownership without regard to the merits of the challenge, and industry and market conditions generally. The collaborator may also consider alternative product candidates or technologies for similar indications that may be available to collaborate on and whether such a collaboration could be more attractive than the one with us for our product candidate. Collaborations are complex and time-consuming to negotiate and document.

We may not be able to negotiate collaborations on a timely basis, on acceptable terms, or at all. If we are unable to do so, we may have to curtail the development of ABP-450 or our future product candidates in any of our proposed therapeutic indications, reduce or delay development programs, delay potential commercialization or reduce the scope of any sales or marketing activities, or increase our expenditures and undertake development or commercialization activities at our own expense. If we elect to increase our expenditures to fund development or commercialization activities on our own, we may need to obtain additional capital, which may not be available to us on acceptable terms or at all. If we do not have sufficient funds, we may not be able to further develop and commercialize ABP-450 or our future product candidates in any of our proposed therapeutic indications or bring them to market and generate revenue.

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Risks Related to Intellectual Property

If we or any of our current or future licensors, including Daewoong, are unable to maintain, obtain or protect intellectual property rights related to ABP-450 and any future product candidates we may develop, or if the scope of any protection obtained is not sufficiently broad, we may not be able to compete effectively in our market.

Our success depends, in large part, on our ability to seek, obtain and maintain intellectual property protection in the United States and other countries with respect to our technologies. We and Daewoong currently rely upon a combination of trademarks, trade secret protection, confidentiality agreements and proprietary know-how. Additionally, Daewoong has obtained a United States patent related to its proprietary botulinum toxin manufacturing process. We also intend to protect our proprietary technology and methods by, among other things, filing for and obtaining United States and foreign patent applications related to our proprietary technology, inventions, methods of use, and improvements that are important to the development and implementation of our business. However, due to existing patent eligibility laws, we do not expect to obtain patent protection for the composition of matter for botulinum toxin, as it is produced by Clostridium botulinum, a gram-positive, rod-shaped, anaerobic, spore-forming, motile bacterium with the ability to produce the botulinum toxin. Although we only own one issued patent covering our migraine injection paradigm (U.S. Patent No. 11,826,405), we do not own any other issued patents, but we have filed certain provisional and non-provisional patent applications with the United States Patent and

Trademark Office, or USPTO, related to other novel and proprietary methods of utilizing ABP-450 for therapeutic purposes. These patent applications may fail to result in any issued patents with claims that cover ABP-450 in any currently proposed or future therapeutic indications, in the United States or in other foreign countries, and the patents, if issued, may be declared invalid or unenforceable.

The patent prosecution process is expensive, time-consuming and complex, and we may not be able to file, prosecute, maintain, enforce or license all necessary or desirable patent applications at a reasonable cost or in a timely manner. We may not be able to obtain or maintain patent applications and patents due to the subject matter claimed in such patent applications and patents being in disclosures in the public domain. In addition, it is possible that we will fail to identify patentable aspects of our R&D output before it is too late to obtain patent protection. Although we enter into confidentiality agreements with parties who have access to confidential or patentable aspects of our R&D output, such as our employees and third-party consultants, any of these parties may breach these agreements and disclose such output before a patent application is filed, thereby jeopardizing our ability to seek patent protection. Consequently, we may not be able to prevent any third party from using any of our technology that is in the public domain to compete with ABP-450 and any future product candidates.

Other parties have developed technologies that may be related to or competitive to our own technologies and such parties may have filed or may file patent applications, or may have obtained or may obtain patents, claiming inventions that may overlap or conflict with those claimed in our patent applications or any future issued patents. We may not be aware of all third-party intellectual property rights potentially relating to ABP-450 and any future product candidates. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and in other jurisdictions are typically not published until 18 months after filing, or, in some cases, not at all. Therefore, we cannot know with certainty whether the inventors of our pending patent applications were the first to make the inventions claimed in those patent applications, or that they were the first to file for patent protection of such inventions. If a third party can establish that we were not the first to make or the first to file for patent protection of such inventions, our patent applications may not issue and any patents, if issued, may be challenged and invalidated or rendered unenforceable.

Even in the event our non-provisional patent applications are granted, or if we in-license issued patent rights from third parties, the issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability and any such patents may be challenged in courts or patent offices in the United States and abroad and later declared invalid or unenforceable. For example, we may be subject to a third-party submission of prior art to the USPTO challenging the validity of one or more claims of any such patents. A third party may also claim that any such patents are invalid or unenforceable in a litigation. The outcome following legal assertions of invalidity and unenforceability is unpredictable. An adverse result in any legal proceeding could put any such patents at risk of being invalidated or interpreted narrowly and could allow third parties to commercialize our products and compete directly with us, without payment to us, or result in our inability to manufacture or commercialize products without infringing third-party patent rights. In addition, we may become involved in derivation, reexamination, inter partes review, post-grant review or interference proceedings and other similar proceedings in foreign jurisdictions (e.g., opposition proceedings) challenging the validity, priority or other features of patentability of any such patent rights. Challenges to our patent rights may result in loss of patent rights, exclusivity, or in patent claims being narrowed, invalidated, or held unenforceable, in whole or in part, which could limit our ability to stop others from using or commercializing similar or identical technology and products, or limit the scope and duration of the patent protection of

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ABP-450 or future product candidates. Such challenges also may result in substantial cost and require significant time from our scientists and management, even if the eventual outcome is favorable to us. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects.

Furthermore, patents have a limited lifespan. In the United States, the natural expiration of a patent is generally 20 years after it is filed. Various extensions may be available; however, the life of a patent, and the protection it affords, is limited. Given the amount of time required for the development, testing and regulatory review of botulinum toxins, patents protecting such

product candidates might expire before or shortly after they are commercialized. As a result, our patent applications, even if issued, may not provide us with adequate and continuing patent protection sufficient to exclude others from commercializing products similar to ABP-450 or future product candidates, including biosimilar versions of such products.

Even if they are unchallenged, our pending patent applications, if issued, may not provide us with any meaningful protection or prevent competitors from designing around our patent claims to circumvent our patents by developing similar or alternative technologies or therapeutics in a non-infringing manner. If the patent protection provided by our patent applications, if issued, is not sufficiently broad to impede such competition, our ability to successfully commercialize ABP-450 and future product candidates could be negatively affected, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Under the Daewoong Agreement, we license the trademark for Nabota associated with ABP-450 from Daewoong; however, we may ultimately pursue alternative trademarks and branding for ABP-450. Our or Daewoong's trade secrets and other confidential proprietary information and those of our future licensors could be disclosed or competitors could otherwise gain access to our trade secrets or independently develop substantially equivalent information and techniques. Further, the laws of some foreign countries do not protect proprietary rights to the same extent or in the same manner as the laws of the United States. As a result, we or any of our current or future licensors may encounter significant problems in protecting and defending our or their intellectual property both in the United States and internationally. If we or any of our current or future licensors are unable to prevent material disclosure of the non-patented intellectual property related to ABP-450 to third parties, we may not be able to establish or maintain a competitive advantage in our market, which could adversely affect our business.

In addition to the protection afforded by patents, trademarks, confidentiality agreements and proprietary know-how, we may in the future rely upon in-licensed or acquired patents or proprietary technology for the development of ABP-450 in any currently proposed or future therapeutic indications. We may not be able to in-license third party patents necessary to commercialize ABP-450 on commercially reasonable terms, or at all, which could materially harm our business. Even if we are able to in-license any such necessary intellectual property, it could be on nonexclusive terms, thereby giving our competitors and other third parties access to the same intellectual property licensed to us, and it could require us to make substantial licensing and royalty payments. The licensing or acquisition of third-party intellectual property rights is a competitive area, and several more established companies may pursue strategies to license or acquire third-party intellectual property rights that we may consider attractive or necessary. These established companies may have a competitive advantage over us due to their size, capital resources and greater clinical development and commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. We also may be unable to license or acquire third-party intellectual property rights on terms that would allow us to make an appropriate return on our investment. If we are unable to successfully obtain rights to required third-party intellectual property or maintain the existing intellectual property rights we have licensed, we may be required to expend significant time and resources to redesign ABP-450 or future product candidates, or to develop or license replacement technology, all of which may not be feasible on a technical or commercial basis, and we may have to abandon development of ABP-450 or future product candidates which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Additionally, the strength of any patents that issue from our non-provisional patent applications or that we may in-license from third parties in the technology and healthcare fields involves complex legal and factual questions and has, in recent years, been the subject of much litigation. As a result, the issuance, scope, validity, enforceability and commercial value of any patent rights in such fields can be uncertain. Our pending patent applications and any patent applications that we may in-license may fail to result in issued patents with claims that cover ABP-450 in any currently proposed or future therapeutic indications, in the United States or in other foreign countries, and the issued patents that we may in-license may be declared invalid or unenforceable.

We are reliant on the ability of Daewoong, as the licensor of our only product candidate, to maintain its intellectual property and protect its intellectual property against misappropriation, infringement or other violation. We may not have primary control over Daewoong's or our future licensors' patent prosecution activities. Furthermore, we may not be allowed to comment on prosecution

strategies, and patent applications currently being prosecuted may be abandoned by the patent owner without our knowledge or consent.

With respect to patents that are issued to our licensors, or patents that may issue on patent applications, third parties may challenge their validity, enforceability or scope, which may result in such patents being narrowed or invalidated. As a licensee, we are reliant on Daewoong and our future licensors to defend any third-party claims. Our licensors may not defend or prosecute such actions as vigorously or in the manner that we would have if entitled to do so, and we may be impacted by any judgment or settlement resulting from such actions. Also, a third party may challenge the validity of our in-licensing transactions. Furthermore, even if they are unchallenged, any of our future in-licensed patents and patent applications may not adequately protect the licensors or our intellectual property or prevent others from designing around their or our claims.

Third-party claims of intellectual property infringement, misappropriation or violation, or challenges related to the invalidity or unenforceability of any issued patents we may obtain or in-license may prevent or delay our development and commercialization efforts or otherwise adversely affect our results of operations.

Our commercial success depends in part on our and any of our future collaborators avoiding infringement, misappropriation or other violation of the intellectual property and related proprietary rights of third parties. Competitors and other entities that possess intellectual property rights related to the use of botulinum toxins in the fields of neurology and gastroenterology have developed large portfolios of patents and patent applications in fields relating to our business. In particular, there are patents held by third parties that relate to the treatment with botulinum toxin-based products. There may also be patent applications that have been filed but not published that, when issued as patents, could be asserted against us. There is a substantial amount of litigation, both within and outside the United States, involving patent and other intellectual property rights in the technology, medical device and pharmaceutical industries, including patent infringement lawsuits, interferences, oppositions and inter partes reexamination proceedings before the USPTO. Numerous United States and foreign issued patents and pending patent applications, which are owned by third parties, exist in the fields in which we plan to develop ABP-450. As the technology, medical device and pharmaceutical industries expand and more patents are issued, the risk increases that our product candidate may be subject to claims of infringement of the patent rights of third parties, regardless of their merit.

There may be third-party patents or patent applications with claims to materials, methods of manufacture or methods for treatment related to the use or manufacture of ABP-450. Because patent applications can take many years to issue, may be confidential for 18 months or more after filing and can be revised before issuance, there may be currently pending patent applications that may later result in issued patents that ABP-450 or any future product candidates may infringe. It is difficult for industry participants, including us, to identify all third-party patent rights that may be relevant to ABP-450 and future product candidates because patent searching is imperfect due to differences in terminology among patents, incomplete databases and the difficulty in assessing the meaning of patent claims. We may fail to identify relevant patents or patent applications or may identify pending patent applications of potential interest but incorrectly predict the likelihood that such patent applications may issue with claims of relevance to our technology or incorrectly conclude their invalidity or unenforceability. In addition, pending patent applications that have been published can, subject to certain limitations, be later amended in a manner that could cover ABP-450 or future product candidates and third parties may obtain patents in the future and claim that use of our technologies infringes upon these patents. Even if we believe claims brought against us are without merit, a court of competent jurisdiction could hold that these third-party patents are valid, enforceable and infringed. In order to successfully challenge the validity of any such United States patent in federal court, we would need to overcome a presumption of validity. As this burden is a high one requiring us to present clear and convincing evidence as to the invalidity of any such United States patent claim, there is no assurance that a court of competent jurisdiction would invalidate the claims of any such United States patent or find that ABP-450 or future product candidates did not infringe any such claims. If any third-party patents were held by a court of competent jurisdiction to cover the manufacturing process of ABP-450, the holders of any such patents may be able to block our ability to commercialize ABP-450 in any proposed therapeutic indication unless we obtain a license under the applicable patents or until such patents expire. Similarly, if any third-party patent were held by a court of competent jurisdiction to cover aspects of our methods of use, the holders of any such patent may be able to block our ability to develop and commercialize ABP-450 unless we obtain a license or until such patent expires. In either case, such a license may not be available on commercially reasonable terms or at all.

In addition to claims of patent infringement, third parties may bring claims against us asserting misappropriation or other violations of proprietary technology or other information in the development, manufacture and commercialization of ABP-450.

Defense of such a claim would require dedicated time and resources, which time and resources could otherwise be used by us toward the maintenance of our own intellectual property and the development and commercialization of ABP-450 in any current or future

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proposed therapeutic indication or for operational upkeep and manufacturing of our product. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock. We have been, and may in the future become, party to, or be threatened with, adversarial proceedings or litigation where our competitors or other third parties may assert claims against us, alleging that our therapeutics, manufacturing methods, formulations, administration methods or delivery devices infringe, misappropriate or otherwise violate their intellectual property rights, including patents and trade secrets. For example, in the past, Medytox asserted that we and Daewoong were employing their proprietary technology without authorization, and other third parties may make similar assertions about us or any of our current or future licensors, including Daewoong, in the future. For more information regarding our litigation with Medytox, please see "*Risk Factors — Risks Related to Our Reliance on Third Parties — A material breach by us of the terms of our license and settlement agreement with Medytox, Inc. could have a material adverse effect on our business*."

Likewise, any patents that may issue from our pending patent applications or any future in-licensed patents and pending patent applications may also be subject to priority, validity, inventorship and enforceability disputes in court or before administrative bodies in the United States or abroad. If we or any of our licensors are unsuccessful in any of these proceedings, such patents and patent applications may be narrowed, invalidated or held unenforceable, we may be required to obtain licenses from third parties, which may not be available on commercially reasonable terms or at all, or we may be required to cease the development, manufacture and commercialization of ABP-450 or future product candidates. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects.

Parties making claims against us or any of our current or future licensors may request and obtain injunctive or other equitable relief, which could effectively block our ability to further develop and commercialize ABP-450. Defense of these claims, regardless of their merit, would involve substantial litigation expense and would be a substantial diversion of employee resources from our business which time and resources could otherwise be used by us toward the maintenance of our own intellectual property and the development and commercialization of ABP-450 in any current or future proposed therapeutic indication or for operational upkeep and manufacturing of our product. In the event of a successful claim of infringement, misappropriation or other violation of a third party's intellectual property, we or any of our current or future licensors may have to pay substantial damages, including treble damages and attorneys' fees for willful infringement, obtain one or more licenses from third parties which may not be commercially available, or pay royalties or redesign our infringing products or manufacturing processes, which may be impossible or require substantial time and monetary expenditure. Furthermore, even in the absence of litigation, we may need to obtain licenses from third parties to advance our research, manufacture clinical study supplies or allow commercialization of ABP-450 in any current or future proposed therapeutic indication. We may fail to obtain any of these licenses at a reasonable cost or on reasonable terms, if at all. In that event, we would be unable to further develop and commercialize ABP-450 in one or more of our proposed therapeutic indications, which could harm our business significantly. Similarly, third-party patents could exist that might be enforced against our products, resulting in either an injunction prohibiting our sales, or with respect to our sales, an obligation on our part to pay royalties and/or other forms of compensation to third parties.

We may become involved in lawsuits to protect or enforce our intellectual property or the patents and other intellectual property of our licensors, which could be expensive and time-consuming.

Competitors may infringe our intellectual property, including any future patents we may acquire, or any future patents or other intellectual property licensed to us by our licensors, including Daewoong. As a result, we or any of our current or future licensors may be required to file infringement claims to stop third-party infringement or unauthorized use. Even if resolved in

our favor, this can be unpredictable, expensive, particularly for a company of our size, and time-consuming and may cause us to incur significant expenses and distract our scientific and management personnel from their normal responsibilities. In addition, in an infringement proceeding, a court may decide that a patent of ours or any of our current or future licensors is not valid or is unenforceable, or may refuse to stop the other party from using the technology at issue on the grounds that our patent claims do not cover its technology or that the factors necessary to grant an injunction against an infringer are not satisfied.

An adverse determination of any litigation or other proceedings could put one or more of such patents at risk of being invalidated or interpreted narrowly. Interference, derivation or other proceedings brought at the USPTO may be necessary to determine the priority or patentability of inventions with respect to any of our future patent applications or those of our licensors or collaborators. Litigation or USPTO proceedings brought by us or any of our current or future licensors may fail or may be invoked against us or our licensors by third parties. Even if we are successful, domestic or foreign litigation or USPTO or foreign patent office proceedings may result in substantial costs and distraction to our management or the management of any of our current or future licensors, including

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Daewoong. We may not be able, alone or with any of our current or future licensors or collaborators, to prevent misappropriation of our proprietary rights, particularly in countries where the laws may not protect such rights as fully as in the United States.

Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation or other proceedings, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation or proceedings. In addition, during the course of this kind of litigation or proceedings, there could be public announcements of the results of hearings, motions or other interim proceedings or developments or public access to related documents. If securities analysts or investors perceive these results to be negative, the market price for our common stock could be significantly harmed. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing or distribution activities.

Most of our competitors are larger than we are and have substantially greater resources. They are, therefore, likely to be able to sustain the costs of complex patent litigation or other intellectual property proceedings longer than we could. Accordingly, despite our efforts, we may not be able to prevent third parties from infringing upon or misappropriating our intellectual property. In addition, the uncertainties associated with the initiation and continuation of litigation or other intellectual property proceedings could compromise our ability to raise the funds necessary to continue our clinical studies, continue our internal research programs, or in-license needed technology, or otherwise have a material adverse effect on our business, financial condition, results of operations and prospects.

Our rights to develop and commercialize ABP-450 and future product candidates are subject, in part, to the terms and conditions of licenses granted to us by others, including Daewoong. If we fail to comply with our obligations in the agreements under which we license intellectual property rights from third parties or otherwise experience disruptions to our business relationships with our licensors, we could lose license rights that are important to our business.

We are heavily reliant upon our license from Daewoong to certain proprietary technology that is important or necessary to the development of ABP-450 and future product candidates. Additionally, further development and commercialization of ABP-450 and future product candidates may require us to enter into additional license or collaboration agreements. For more information regarding our reliance on Daewoong and future collaboration agreements, please see"*RiskFactors — RelianceonThirdParties*."

Our current and any future licenses may not provide us with exclusive rights to use the licensed intellectual property and technology or may not provide us with exclusive rights to use such intellectual property and technology in all relevant fields of use and in all territories in which we may wish to develop or commercialize ABP-450 and future product candidates. As a result,

we may not be able to prevent competitors or other third parties from developing and commercializing competitive products, including in territories covered by our licenses.

In some circumstances, we may not have the right to control the maintenance, prosecution, preparation, filing, enforcement, defense or litigation of patents and patent applications that we license from or license to third parties and are reliant on our licensors or licensees to do so. We thus cannot be certain that activities such as patent maintenance and prosecution by our licensors have been or will be conducted consistent with our best interests or in compliance with applicable laws and regulations, or will result in valid and enforceable patents and other intellectual property rights. It is possible that our licensors' infringement proceedings or defense activities may be less vigorous than had we conducted them ourselves or may not be conducted in accordance with our best interests. If our licensors fail to maintain such patents or patent applications, or lose rights to those patents or patent applications, the rights we have licensed may be reduced or eliminated, and our right to develop and commercialize future product candidates that are the subject of such licensed rights and our right to exclude third parties from commercializing competing products could be adversely affected. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects.

In spite of our efforts, our current and future licensors might conclude that we have materially breached our obligations under our license agreements and might therefore terminate such license agreements, thereby removing or limiting our ability to develop and commercialize products and technology covered by these license agreements. Disputes may arise with respect to our current or future licensing agreements, including disputes relating to:

- the scope of rights granted under the license agreements and other interpretation-related issues;
- our financial or other obligations under the license agreements;
- the extent to which ABP-450 and future product candidates infringe on intellectual property of the

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licensors that is not subject to the licensing agreements;

- the sublicensing of patent and other rights;
- our diligence obligations under the license agreements and what activities satisfy those diligence obligations;
- the inventorship or ownership of inventions and know-how resulting from the joint creation or use of intellectual property by our licensors and us and our partners; and
- the priority of invention of patented technology.

For example, the Daewoong Agreement does not contain provisions regarding the ownership of any intellectual property that results from inventions or improvements related to ABP-450. There could be disputes in the future related to the inventorship or ownership of inventions and know-how resulting from our improvements to ABP-450 and future related product candidates, although we believe we are the sole owner of our intellectual property and have developed it independently of Daewoong.

If disputes over intellectual property that we have licensed prevent or impair our ability to maintain our current licensing arrangements on acceptable terms, we may be unable to successfully develop and commercialize ABP-450 and future product candidates. If our licenses are terminated, we may lose our rights to develop and market ABP-450 and future product candidates, lose patent protection for ABP-450 and future product candidates, experience significant delays in the development and commercialization of ABP-450 and future product candidates, or incur liability for damages. In addition, we may seek to obtain additional licenses from our licensors and, in connection with obtaining such licenses, we may agree to amend our existing licenses in a manner that may be more favorable to the licensors, including by agreeing to terms that could enable third parties, including our competitors, to receive licenses to a portion of the intellectual property that is subject to our existing licenses and to compete with ABP-450 and future product candidates.

Furthermore, if the Daewoong Agreement or any future licenses are terminated, or if the underlying patents or other intellectual property rights fail to provide the intended exclusivity, competitors or other third parties would have the freedom to seek regulatory approval of, and to market, products identical or competitive to ours and we may be required to cease our development and commercialization of ABP-450 and future product candidates. Moreover, if disputes over intellectual property that we license prevent or impair our ability to maintain other licensing arrangements on commercially acceptable terms, we may be unable to successfully develop and commercialize ABP-450 and future product candidates. In addition, certain of these license agreements may not be assignable by us without the consent of the respective licensor, which may have an adverse effect on our ability to engage in certain transactions. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our license agreements are, and future license agreements are likely to be, complex, and certain provisions in such agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology, or increase what we believe to be our financial or other obligations under the relevant agreement, either of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

We may not be able to protect our intellectual property rights throughout the world.

Filing, prosecuting and defending patents relating to ABP-450 and any future product candidates in all countries throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the United States can be less extensive than those in the United States. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as federal and state laws in the United States; a patent owner may have limited remedies, and in some cases foreign authorities may even force us to grant a compulsory license to competitors or other third parties. As such, we or our licensors may not be able to obtain patent protection for ABP-450 and future product candidates outside the United States. Consequently, we may not be able to prevent third parties from using our inventions in all countries outside the United States or from selling or importing products made using our inventions in and into the United States or other jurisdictions. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and further, may export otherwise infringing products to territories where we have patent protection, but enforcement is not as strong as that in the United States. These products may compete with our products and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

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Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents and other intellectual property protection, particularly those relating to biopharmaceuticals, which could make it difficult for us to stop the infringement any of our patents that may issue from our pending patent applications, or the marketing of competing products in violation of our proprietary rights generally. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly, could put our patent applications at risk of not issuing and could provoke third parties to assert claims against us. We or our licensors may not prevail in any lawsuits that we or our licensors initiate and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license.

In addition, our ability to protect and enforce our intellectual property rights may be adversely affected by unforeseen changes in domestic and foreign intellectual property laws.

If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed.

In addition to seeking patent protection for our product candidates, including ABP-450, we and our licensors also rely on trade secrets protection to protect our and their unpatented know-how, technology and other proprietary information, in order to maintain our and their competitive positions.

We and our licensors seek to protect our trade secrets, in part, by entering into non-disclosure and confidentiality agreements with parties who have access to them, such as our employees, collaborators, consultants, advisors and other third parties. We have entered into invention assignment agreements with our current employees. Despite these efforts, any of these parties may breach the agreements and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. Monitoring unauthorized uses and disclosures is difficult, and we do not know whether the steps we or our licensors have taken to protect our respective proprietary technologies will be effective.

Additionally, we cannot guarantee that we or our licensors have entered into such agreements with each party that may have or has had access to our respective trade secrets. We also seek to preserve the integrity and confidentiality of our data and trade secrets by taking security measures with respect to our information technology systems; however, our or our licensors' systems and security measures may be breached, and we may not have adequate remedies for any breach. As a result, we or our licensors could lose our trade secrets and third parties could use our or our licensors' trade secrets to compete with ABP-450 or future product candidates.

Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, some courts inside and outside the United States are less willing or unwilling to protect trade secrets. Competitors or third parties could purchase ABP-450 and future product candidates and attempt to replicate or reverse engineer some or all of the competitive advantages we derive from our development efforts, willfully infringe our intellectual property rights, design around our protected technology or develop their own competitive technologies that fall outside the scope of our intellectual property rights. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor or third party, we would have no right to prevent them, or those to whom they communicate it, from using that technology or information to compete with us. If any of our trade secrets were to be disclosed to or independently developed by a competitor, our competitive position would be harmed.

We may be subject to claims that our employees, consultants or independent contractors have wrongfully used or disclosed confidential information of third parties or asserting ownership of what we regard as our own intellectual property.

We employ individuals who were previously employed at other pharmaceutical companies including certain of our anticipated competitors. We may be subject to claims that we or our employees, consultants or independent contractors have inadvertently or otherwise used or disclosed confidential information, including intellectual property and other proprietary information, of our employees' former employers or other third parties. Litigation may be necessary to defend against these claims. We may not be successful in defending these claims, and even if we are successful, litigation could result in substantial cost and be a distraction to our management and other employees. Any litigation or the threat thereof may adversely affect our ability to hire or retain employees. A loss of key personnel or their work product could diminish or prevent our ability to commercialize ABP-450, which could have an adverse effect on our business, results of operations and financial condition.

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In addition, while it is our policy to require our employees and contractors who may be involved in the conception or development of intellectual property to execute agreements assigning such intellectual property to us, we may also be subject to claims that former employers or other third parties have an ownership interest in our patents or other intellectual property. Moreover, even when we obtain agreements assigning intellectual property to us, the assignment of intellectual property rights may not be self-executing or the assignment agreements may be breached, and we may be forced to bring claims against third parties, or defend claims that they may bring against us, to determine the ownership of what we regard as our intellectual property. Furthermore, individuals executing agreements with us may have preexisting or competing obligations to a third party, such as an academic institution, and thus an agreement with us may be ineffective in perfecting ownership of inventions developed by that individual. We or our licensors may in the future be subject to claims by former employees, consultants or

other third parties asserting an ownership right in our owned or licensed patents or patent applications. An adverse determination in any such submission or proceeding may result in loss of exclusivity or freedom to operate or in patent claims being narrowed, invalidated or held unenforceable, in whole or in part, which could limit our ability to stop others from using or commercializing similar technology and therapeutics, without payment to us, or could limit the duration of any patent protection covering ABP-450 and future product candidates. Disputes about the ownership of intellectual property may have a material adverse effect on our business, financial condition, results of operations and prospects.

If our trademarks and trade names are not adequately protected, then we may not be able to build name recognition in our markets of interest and our business may be adversely affected.

Although we have filed applications to register trademarks in the United States and other jurisdictions, we currently do not own any registered trademarks and our current and future trademark applications in the United States and in foreign jurisdictions may not be allowed or may subsequently be opposed, as has been done in the United States with the Company's trademark applications for AEON and related marks. Further, our unregistered or future registered trademarks or trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks. We may not be able to protect our rights to these trademarks and trade names, which we need to build name recognition by potential partners or customers in our markets of interest. At times, competitors may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. Over the long term, if we are unable to establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively and our business may be adversely affected.

Third parties may assert that we are using trademarks or trade names that are confusingly similar to their marks. If any third-party were able to establish that our trademarks or trade names were infringing their marks, that third-party may be able to block our ability to use the infringing trademark or trade name. In addition, if a third-party were to bring such a claim, we would be required to dedicate time and resources to fight the claim, which time and resources could otherwise be used toward the maintenance of our own intellectual property.

Parties making claims against us may request and obtain injunctive or other equitable relief, which could prevent our ability to use the subject trademarks or trade names. Defense of these claims, regardless of their merit, would involve substantial litigation expense and would be a substantial diversion of employee and management resources from our business, and their time and resources could otherwise be used toward the maintenance of our own intellectual property and may otherwise be expensive and time- consuming, particularly for a company of our size. In the event of a successful claim of infringement against us, we may have to pay substantial damages, including treble damages and attorneys' fees for willful infringement. We may be required to re-brand one or more of our products or services offered under the infringing trademark or trade name, which may require substantial time and monetary expenditure. Third parties could claim senior rights in marks which might be enforced against our use of trademarks or trade names, resulting in an injunction prohibiting our sales under those trademarks or trade names.

Our efforts to enforce or protect our proprietary rights related to trademarks may be ineffective and could result in substantial costs and diversion of resources. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects.

Intellectual property rights do not necessarily address all potential threats.

The degree of future protection afforded by our intellectual property rights is uncertain because intellectual property rights have limitations and may not adequately protect our business or permit us to maintain our competitive advantage. For example:

- others may be able to make ABP-450 and future product candidates that are similar to ours, but that are not covered by the claims of the patents that we may license or own in the future;

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- we, or our license partners or future collaborators, might not have been the first to make the inventions covered by the issued patent or pending patent applications that we license or may own in the future;
- we, or our license partners or future collaborators, might not have been the first to file patent applications covering certain of our or their inventions;
- others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing our owned or licensed intellectual property rights;
- others may circumvent our regulatory exclusivities, such as by pursuing approval of a competitive product candidate via the traditional approval pathway based on their own clinical data, rather than relying on the abbreviated pathway provided for biosimilar applicants;
- it is possible that our pending licensed patent applications or those that we may own in the future will not lead to issued patents;
- issued patents that we hold rights to now or in the future may be held invalid or unenforceable, including as a result of legal challenges by our competitors;
- others may have access to the same intellectual property rights licensed to us in the future on a nonexclusive basis;
- our competitors might conduct R&D activities in countries where we do not have patent rights and then use the information learned from such activities to develop competitive products for sale in our major commercial markets;
- we may not develop additional proprietary technologies that are patentable;
- the patents or other intellectual property rights of others may have an adverse effect on our business; or
- we may choose not to file a patent for certain trade secrets or know-how, and a third party may subsequently file a patent covering such intellectual property.

Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects.

Risks Related to Government Regulation

Our business and products are subject to extensive government regulation.

We are subject to extensive, complex, costly and evolving regulation by federal and state governmental authorities in the United States, the European Union, Canada and other countries, principally by the FDA, the EMA, Health Canada and other similar regulatory authorities. Daewoong is also subject to extensive regulation by the FDA and the South Korean regulatory authorities as well as other regulatory authorities. Our failure to comply with all applicable regulatory requirements, or Daewoong's or any future collaborator's failure to comply with applicable regulatory requirements, including those promulgated under the Federal Food, Drug, and Cosmetic Act, the Public Health Service Act, and other laws may subject us to operating restrictions and criminal prosecution, monetary penalties and other enforcement or administrative actions, including sanctions, warning letters, import alerts, product seizures, recalls, fines, injunctions, suspension, revocation of approvals, or exclusion from future participation in the Medicare and Medicaid programs.

In the event our products receive regulatory approval, we and our direct and indirect suppliers, including Daewoong, will remain subject to the periodic inspection of our plants and facilities, review of production processes, and testing of our products to confirm that we are in compliance with all applicable regulations. Adverse findings during regulatory inspections may result in requirements that we implement REMS programs, requirements that we complete government mandated clinical studies, and government enforcement actions, including those relating to labeling, advertising, marketing and promotion, as well as regulations governing manufacturing controls.

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If we experience delays in obtaining approval or if we fail to obtain approval of ABP-450 in any of our proposed therapeutic indications, the commercial prospects for ABP-450 may be harmed and our ability to generate revenue will be materially impaired.

In addition, in the course of our activities we may collect information from clinical study subjects or other individuals that subjects us to a variety of rapidly evolving laws regarding privacy, data protection and data security, including those related to the collection, storage, handling, use, disclosure, transfer and security of personal data. Data breaches or other violations of these laws could subject our business to significant penalties and reputational harm. For more information on data security and privacy, see "Risk Factors — Risks Related to Government Regulation — We are subject to stringent and often unsettled privacy laws, information security laws, regulations, policies and contractual obligations related to data privacy and security and changes in such laws, regulations, policies and contractual obligations could adversely affect our business**."**

If we fail to obtain regulatory approvals in foreign jurisdictions for ABP-450, we will be unable to market our products outside of the trust account United States.

In addition to regulations in the United States, we are and will be subject to a working capital deficit variety of $2,874,594. Further, foreign regulations governing manufacturing, clinical studies, commercial sales and distribution of our future products. Whether or not we obtain FDA approval for a product candidate, we must obtain approval of the product by the comparable regulatory authorities of foreign countries before commencing clinical studies or marketing in those countries. The approval procedures vary among countries and can involve additional clinical testing, and the time required to obtain approval may differ from that required to obtain FDA approval. Clinical studies conducted in one country may not be accepted by regulatory authorities in other countries. Approval by the FDA does not ensure approval by regulatory authorities in other countries, and approval by one or more foreign regulatory authorities does not ensure approval by regulatory authorities in other foreign countries or by the FDA. The foreign regulatory approval process may include all of the risks associated with obtaining FDA approval. We may not be able to file for regulatory approvals or to do so on a timely basis, and even if we do file, we may not receive necessary approvals to commercialize our products in markets outside of the United States.

The misuse or off-label use of our approved products, if any, may harm our reputation in the marketplace, result in injuries that lead to product liability suits or result in costly investigations, fines or sanctions by regulatory bodies if we are deemed to have engaged in the promotion of these uses, any of which could be costly to our business.

The FDA and other regulatory agencies strictly regulate the marketing and promotional claims that are made about pharmaceutical products. In particular, a product may not be promoted for uses or indications that are not specifically approved by the FDA, the EMA or other regulatory agencies as reflected in the product's approved labeling. For example, if we receive marketing approval for ABP-450 in any therapeutic indication, physicians could use ABP-450 on their patients in a manner that is inconsistent with the approved label, such as for the treatment of other aesthetic or therapeutic indications for which other similar botulinum toxins are approved. Although ABP-450, if approved, will be similar to Jeuveau, we will not be able to market ABP-450 as being interchangeable with Jeuveau. If we are found to have promoted uses that are not part of ABP-450's approved labeling, we may be subject to enforcement action from the FDA, the EMA and other regulatory agencies, as applicable, and become subject to significant liability, which would materially harm our business. The federal government has levied large civil and criminal fines against companies for alleged improper promotion and has enjoined several companies from engaging in off-label promotion. If we become the target of such an investigation or prosecution based on our marketing and promotional practices, we could face similar sanctions, which would materially harm our business. In addition, management's attention could be diverted from our business operations, significant legal expenses could be incurred, and expect our reputation could be damaged. The FDA has also required that companies enter into consent decrees or permanent injunctions under which specified promotional conduct is changed or curtailed in order to resolve FDA enforcement actions. If we are deemed by the FDA to have engaged in the promotion of our products for off-label use, we could be subject to FDA prohibitions or other restrictions on the sale or marketing of our products and other operations or significant fines and penalties, and the imposition of these sanctions could also affect our reputation and position within the industry. In addition, off-label promotion could expose us to liability under the FCA, as well as similar state laws.

Physicians may also misuse ABP-450, if approved, or use improper techniques, potentially leading to adverse results, side effects or injury, which may lead to product liability claims. If ABP-450 is misused or used with improper techniques or is determined to cause or contribute to patient harm, we may become subject to costly litigation by our customers or their patients. Product liability claims could divert management's attention from our core business, be expensive to defend, result in sizable damage awards against us that may not be covered by insurance and subject us to negative publicity resulting in

reduced sales of our products. Furthermore, the use of ABP-450, if approved, for indications other than those cleared by the FDA, may not effectively treat such conditions, which

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could harm our reputation in the marketplace among physicians and patients. Any of these events could harm our business and results of operations and cause the price of our common stock to decline.

Our relationships with healthcare providers and physicians and third-party payors will be subject to applicable anti-kickback, fraud and abuse and other healthcare laws and regulations, which could expose us to criminal sanctions, civil penalties, contractual damages, reputational harm and diminished profits and future earnings.

We are subject to applicable fraud and abuse and other healthcare laws and regulations, including, without limitation, the federal Anti-Kickback Statute and the FCA, which may constrain the business or financial arrangements and relationships through which we sell, market and distribute our products. In particular, the promotion, sales and marketing of healthcare items and services, as well as certain business arrangements in the healthcare industry (e.g., healthcare providers, physicians and third party payors), are subject to extensive laws designed to prevent fraud, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, structuring and commission(s), certain customer incentive programs and other business arrangements generally. We also may be subject to patient information and privacy and security regulation by both the federal government and the states and foreign jurisdictions in which we conduct our business. The applicable federal, state and foreign healthcare laws and regulations that may affect our ability to operate include, but are not limited to:

The Anti-Kickback Statute, which prohibits the knowing and willful offer, receipt, or payment of remuneration in exchange for or to induce the referral of patients or the use of products or services that would be paid for in whole or part by Medicare, Medicaid or other federal health care programs. Remuneration has been broadly defined to include anything of value, including but not limited to cash, improper discounts, and free or reduced price items and services. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation. Further, courts have found that if "one purpose" of remuneration is to induce referrals, the federal Anti-Kickback Statute is violated. The Anti-Kickback Statute has been interpreted to apply to arrangements between pharmaceutical manufacturers on the one hand and prescribers, purchasers, and formulary managers on the other. There are a number of statutory exceptions and regulatory safe harbors protecting some common activities from prosecution, but the exceptions and safe harbors are drawn narrowly and require strict compliance in order to offer protection. A claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the FCA. Many states have similar laws that apply to their state health care programs as well as private payors. Violations of anti-kickback and other applicable laws can result in exclusion from federal health care programs and substantial civil and criminal penalties.

The federal civil and criminal false claims laws and civil monetary penalty laws, including the FCA, which prohibit, among other things, individuals or entities from knowingly presenting, or causing to be presented, false or fraudulent claims for payment to, or approval by Medicare, Medicaid, or other federal healthcare programs, knowingly making, using or causing to be made or used a false record or statement material to a false or fraudulent claim or an obligation to pay or transmit money to the federal government, or knowingly concealing or knowingly and improperly avoiding or decreasing or concealing an obligation to pay money to the federal government. The FCA has been used to prosecute persons submitting claims for payment that are inaccurate or fraudulent, that are for services not provided as claimed, or for services that are not medically necessary. The FCA includes a whistleblower provision that allows individuals to bring actions on behalf of the federal government and share a portion of the recovery of successful claims. Some state law equivalents of the above federal laws, such as the Anti-Kickback Statute and FCA, apply to items or services regardless of whether the good or service was reimbursed by a government program, so called all-payor laws. These all-payor laws could apply to our sales and marketing activities even if the Anti-Kickback Statute and FCA laws are inapplicable.

The federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, which created new federal criminal statutes that prohibit knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program or obtain, by means of false or fraudulent pretenses, representations, or promises, any of the money or property owned by, or under the custody or control of, any healthcare benefit program, regardless of the payor (e.g., public or private) and knowingly and willfully falsifying, concealing or covering up by any trick or device a material fact or making any materially false statements in connection with the delivery of, or payment for, healthcare benefits, items or services relating to healthcare matters. Similar to the federal Anti-Kickback Statute, a person or entity can be found guilty of violating HIPAA without actual knowledge of the statute or specific intent to violate it.

HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, or HITECH, and their implementing regulations, and as amended again by the Final HIPAA Omnibus Rule, published in January 2013, which imposes certain obligations, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of

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individually identifiable health information without appropriate authorization by covered entities subject to the rule, such as health plans, healthcare clearinghouses and certain healthcare providers, as well as their business associates that perform certain services involving the use or disclosure of individually identifiable health information also implicate our business. HITECH also created new tiers of civil monetary penalties, amended HIPAA to make civil and criminal penalties directly applicable to business associates, and gave state attorneys general new authority to file civil actions for damages or injunctions in federal courts to enforce the federal HIPAA laws and seek attorneys' fees and costs associated with pursuing federal civil actions. In addition to other federal laws, state laws and foreign laws, such as the General Data Protection Regulation in the European Union, or the GDPR, create the potential for substantial penalties in the event of any non-compliance with the applicable data privacy and data protection laws.

The federal Physician Payment Sunshine Act, created under the Patient Protection and Affordable Care Act, or the ACA, and its implementing regulations, which requires manufacturers of drugs, devices, biologicals and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program (with certain exceptions) to report annually to the United States Department of Health and Human Services, or HHS, information related to payments or other transfers of value made to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors) and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members. For the data submitted on or after January 1,2022, these reporting obligations will extend to include transfers of value made to certain non- physician providers such as physician assistants and nurse practitioners.

The scope and enforcement of each of these laws is uncertain and subject to rapid change in the current environment of healthcare reform, especially in light of the lack of applicable precedent and regulatory guidance. Federal and state enforcement bodies have recently increased their scrutiny of interactions between healthcare companies, healthcare providers and other third parties, including charitable foundations, which has led to a number of investigations, prosecutions, convictions and settlements in the healthcare industry. Responding to investigations can be time- and resource-consuming and can divert management's attention from the business. Any such investigation or settlement could increase our costs or otherwise have an adverse effect on our business.

If our marketing or other arrangements were determined to violate anti-kickback or related laws, including the FCA or an all-payor law, then we could be subject to penalties, including administrative, civil and criminal penalties, damages, fines, disgorgement, the exclusion from participation in federal and state healthcare programs, individual imprisonment, reputational harm and the curtailment or restructuring of our operations, as well as additional reporting obligations and oversight if we become subject to a corporate integrity agreement or other agreement to resolve allegations of non-compliance with these laws. Any action for violation of these laws, even if successfully defended, could cause us to incur significant legal expenses and divert management's attention from the operation of the business. Prohibitions or restrictions on sales or withdrawal of future

marketed products could materially affect our business in an adverse way. Efforts to ensure that our business arrangements will comply with applicable healthcare laws may involve substantial costs.

State and federal authorities have aggressively targeted pharmaceutical companies for alleged violations of these anti-fraud statutes, based on improper research or consulting contracts with doctors, certain marketing arrangements with pharmacies and other healthcare providers that rely on volume-based pricing, off-label marketing schemes, and other improper promotional practices. Companies targeted in such prosecutions have paid substantial fines, have been ordered to implement extensive corrective action plans, and have in many cases become subject to consent decrees severely restricting the manner in which they conduct their business, among other consequences. Additionally, federal and state regulators have brought criminal actions against individual employees responsible for alleged violations. If we become the target of such an investigation or prosecution based on our contractual relationships with providers or institutions or our marketing and promotional practices, we could face similar sanctions, which would materially harm our business.

Also, the FCPA and similar worldwide anti-bribery laws generally prohibit companies and their intermediaries from making improper payments to non-United States officials for the purpose of obtaining or retaining business. Our internal control policies and procedures may not protect us from reckless or negligent acts committed by our employees, future distributors, partners, collaborators or agents. Violations of these laws, or allegations of such violations, could result in fines, penalties or prosecution and have a negative impact on our business, results of operations and reputation.

Legislative or regulatory healthcare reforms in the United States and other countries may make it more difficult and costly for us to obtain regulatory clearance or approval of ABP-450 and to produce, market, and distribute our products after clearance or approval is obtained.

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From time to time, legislation is drafted and introduced in the United States Congress or other countries that could significantly change the statutory provisions governing the regulatory clearance or approval, manufacture, and marketing of regulated products or the reimbursement thereof. In addition, regulations and guidance are often revised or reinterpreted by the FDA and other regulatory authorities in ways that may significantly affect our business and our products. Any new regulations, revisions or reinterpretations of existing regulations may impose additional costs or lengthen review times of ABP-450. Such changes could, among other things, require:

- changes to manufacturing or marketing methods;
- changes to product labeling or promotional materials;
- recall, replacement, or discontinuance of one or more of our products; and
- additional recordkeeping.

Each of these would likely entail substantial time and cost and could materially harm our business and our financial results. In addition, delays in receipt of or failure to receive regulatory clearances or approvals for any future products would harm our business, financial condition, and results of operations.

Inadequate funding for the FDA, the SEC and other government agencies, including from government shut downs, or other disruptions to these agencies' operations, could hinder their ability to hire and retain key leadership and other personnel, prevent new products and services from being developed or commercialized in a timely manner or otherwise prevent those agencies from performing normal business functions on which the operation of our business may rely, which could negatively impact our business.

The ability of the FDA to review and approve new products can be affected by a variety of factors, including government budget and funding levels, ability to hire and retain key personnel and accept the payment of user fees, and statutory, regulatory and policy changes. Average review times at the agency have fluctuated in recent years as a result. Disruptions at the FDA and other agencies may also slow the time necessary for new product candidates to be reviewed and/or approved by necessary

government agencies, which would adversely affect our business. In addition, government funding of the SEC and other government agencies on which our operations may rely, including those that fund R&D activities, is subject to the political process, which is inherently fluid and unpredictable.

Disruptions at the FDA and other agencies may also slow the time necessary for new product candidates to be reviewed and/or approved by necessary government agencies, which would adversely affect our business. For example, over the last several years the United States government has shut down several times and certain regulatory agencies, such as the FDA and the SEC, have had to furlough critical FDA, SEC and other government employees and stop critical activities. If a prolonged government shutdown occurs, it could significantly impact the ability of the FDA to timely review and process our regulatory submissions, which could have a material adverse effect on our business. Further, future government shutdowns could impact our ability to access the public markets and obtain necessary capital in order to properly capitalize and continue our operations.

We are subject to stringent and often unsettled privacy laws, information security laws, regulations, policies and contractual obligations related to data privacy and security and changes in such laws, regulations, policies and contractual obligations could adversely affect our business.

We are subject to data privacy and protection laws and regulations that apply to the collection, transmission, storage and use of personally identifying information or personal data, which among other things, impose certain requirements relating to the privacy, security and transmission of personal information. The legislative and regulatory landscape for privacy and data protection continues to evolve in jurisdictions worldwide, and there has been an increasing focus on privacy and data protection issues with the potential to affect our business. Failure to comply with any of these laws and regulations could result in enforcement action against us, including fines, imprisonment of company officials and public censure, claims for damages by affected individuals, damage to our reputation and loss of goodwill, any of which could have a material adverse effect on our business, financial condition, results of operations or prospects.

There are numerous United States federal and state laws and regulations relating to privacy and security of personal information. Data privacy remains an evolving landscape at both the domestic and international level, with new regulations coming into effect. For

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example, the State of California enacted the California Consumer Privacy Act of 2018, or CCPA, which went into effect on January 1, 2020 and requires companies that process information on California residents to make new disclosures to consumers about their data collection, use and sharing practices, allow consumers to opt out of certain data sharing with third parties and provide a new cause of action for data breaches. Additionally, California voters approved a new privacy law, the California Privacy Rights Act, or CPRA, in the November 3, 2020 election. Effective starting on January 1, 2023, the CPRA significantly modifies the CCPA, including by expanding consumers' rights with respect to certain sensitive personal information. The CPRA also created a new state agency that is vested with authority to implement and enforce the CCPA and the CPRA. New legislation proposed or enacted in various other states will continue to shape the data privacy environment nationally. Certain state laws may be more stringent or broader in scope, or offer greater individual rights, with respect to confidential, sensitive and personal information than federal, international or other state laws, and such laws may differ from each other, which may complicate compliance efforts.

In addition, all 50 states and the District of Columbia have enacted breach notification laws that may require us to notify patients, employees or regulators in the event of unauthorized access to or disclosure of personal or confidential information experienced by us or our service providers. These laws are not consistent, and compliance in the event of a widespread data breach is difficult and may be costly. Moreover, states have been frequently amending existing laws, requiring attention to changing regulatory requirements. We also may be contractually required to notify patients or other counterparties of a security breach.

Although we may have contractual protections with our service providers, any actual or perceived security breach could harm our reputation and brand, expose us to potential liability or require us to expend significant resources on data security and in responding to any such actual or perceived breach. Any contractual protections we may have from our service providers may not be sufficient to adequately protect us from any such liabilities and losses, and we may be unable to enforce any such contractual protections.

In addition, the GDPR became applicable on May 25, 2018 in respect of processing operations carried out in the context of the activities of an establishment in the European Economic Area, or EEA, and any processing relating to the offering of goods or services to individuals in the EEA and/or the monitoring of their behavior in the EEA.

While we do not at this time collect, store, use or process data on behalf of existing customers or for anyone residing in the United Kingdom or Europe, if we do so in the future, we will be subject to the rigorous and time-intensive policies of the GDPR. There is no assurance that our own limited privacy and security- related safeguards will protect us from all risks associated with data privacy and information security.

Risks Related to Being a Public Company and Ownership of Our Securities

The price of our common stock may be volatile.

The price of our common stock has been and is likely to continue to be volatile. The market price for our common stock may be influenced by many factors, including the other risks described in this section of the report entitled "Risk Factors" and the following:

- **our ability to advance our current or potential future product candidates throughout applicable clinical studies;**
- **results of preclinical studies for our current or potential future product candidates, or those of our competitors;**
- **regulatory or legal developments in the United States and other countries, especially changes in laws or regulations applicable to our future products;**
- **the success of competitive products or technologies;**
- **introductions and announcements of new product candidates by us or our competitors, and the timing of these introductions or announcements;**
- **actions taken by regulatory authorities with respect to our future product candidates, clinical trials, manufacturing process or sales and marketing terms;**
- **actual or anticipated variations in our financial results or those of companies that are perceived to be**

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similar to us;

- **the success of our efforts to acquire or in-license additional technologies, products or product candidates;**
- **developments concerning any future collaborations, including, but not limited to, those with any sources of manufacturing supply and future commercialization collaborators;**
- **market conditions in the pharmaceutical and biotechnology sectors;**
- **market conditions and sentiment involving companies that have recently completed a business combination with a special purpose acquisition company ("SPAC");**
- **announcements by us or our competitors of significant acquisitions, strategic alliances, joint ventures or capital commitments;**

- developments or disputes concerning patents or other proprietary rights, including patents, litigation matters and our ability to obtain patent protection for its products;
- ability or inability to raise additional capital and the terms on which it is raised;
- the recruitment or departure of key personnel;
- changes in the structure of healthcare payment systems;
- actual or anticipated changes in earnings estimates or changes in stock market analyst recommendations regarding our common stock, other comparable companies or the industry generally;
- failure or the failure of our competitors to meet analysts' projections or guidance that our or our competitors may give to the market;
- fluctuations in the valuation of companies perceived by investors to be comparable to us;
- announcement and expectation of additional financing efforts;
- speculation in the press or investment community;
- trading volume of our common stock, including as a result of the significant number of shares of our common stock (i) that the Sellers retained pursuant to the FPA Termination Agreements and may resell in the future, and (ii) that Daewoong may be issued upon any conversion of the Convertible Notes and may resell in the future;
- sales of our common stock by us or by our stockholders;
- the concentrated ownership of our common stock;
- changes in accounting principles;
- terrorist acts, acts of war or periods of widespread civil unrest;
- natural disasters, public health crises and other calamities; and
- general economic, industry and market conditions.

In addition, the stock markets in general, and the markets for SPAC post-business combination businesses, pharmaceutical, biopharmaceutical and biotechnology stocks in particular, have experienced extreme volatility. This volatility can often be unrelated to the operating performance of the underlying business. These broad market and industry factors may seriously harm the market price of our common stock, regardless of AEON's operating performance.

Sales of a substantial number of our securities in the public market by our existing securityholders could cause the price of our common stock and warrants to fall.

Sales of a substantial number of our shares of common stock or warrants in the public market by the Registered Holders or by our other existing security holders, or the perception that those sales might occur, could depress the market price of our common stock and

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warrants and could impair our ability to raise capital through the sale of additional equity securities. As of March 2024, holders of our warrants are entitled to exercise their warrants, on a cashless basis, in exchange for shares of our common stock, calculated based on the 10-day volume average weighted price prior to the Company's receipt of the warrantholders' notice. Such warrantholders may seek to monetize the return on their investment in the warrants quickly, which could adversely impact the price of our stock. We are unable to predict the effect that such sales may have on the prevailing market price of our common stock and warrants. The sale of all the securities, particularly at high volumes over a short period of time could result in a significant decline in the public trading price of our securities. Despite such a decline in the public trading price, some of the Registered Holders may still experience a positive rate of return on the securities they purchased due to the differences in the purchase prices described elsewhere in this report. Other security holders may not be able to experience positive rates of return on securities they purchase.

Additionally, we have agreed, at our expense, to prepare and file with the SEC certain registration statements providing for the resale of shares of common stock. The resale, or expected or potential resale, of a substantial number of our shares of common stock in the public market could adversely affect the market price for our shares of common stock and make it more difficult for you to sell your shares of common stock at times and prices that you feel are appropriate. In particular, as a result of the termination of the Forward Purchase Agreements, the Sellers are entitled to keep their shares and, following effectiveness of the registration statement, may resell a significant number of shares of common stock in the market with respect to the shares that they retained pursuant to the FPA Termination Agreements. In addition, a significant number of shares of common stock may be issued upon conversion of the Convertible Notes upon an Automatic Conversion or Optional Conversion (as defined in the Convertible Notes), and such shares of common stock may be resold by Daewoong in the future following effectiveness of a registration statement related thereto. Furthermore, we expect that, because there will be a large number of shares registered, the applicable selling securityholders will continue to offer such covered securities for a significant period of time, the precise duration of which cannot be predicted. Accordingly, the adverse market and price pressures resulting from an offering pursuant to a registration statement may continue for an extended period of time. In addition, because the current market price of our common stock is higher than the price certain selling securityholders paid for their securities, there is more likelihood that selling securityholders holding shares of common stock will sell their shares as soon as the applicable registration statement is declared effective and any applicable lock-up restrictions expire.

Certain existing stockholders of AEON acquired securities at a price below the current trading price of such securities, and may experience a positive rate of return based on the current trading price or at lower trading prices. Future investors in AEON may not experience a similar rate of return.

Prior to consummation of the Business Combination, certain existing stockholders of AEON acquired shares of common stock or Private Placement Warrants at prices below, and in some cases considerably below, the current trading price of our common stock or for no cash consideration at all. It is possible that these stockholders may experience a positive rate of return based on the current trading price or at lower trading prices.

Given the relatively lower purchase prices that some of our stockholders paid to acquire some of their securities compared to the current trading price of our shares of common stock, these stockholders, some of whom are registered holders pursuant to registration statements we are obligated to file to register the resale of shares of common stock, in some instances may earn a positive rate of return on their investment, which may be a significant positive rate of return, depending on the market price of our shares of common stock at the time that such stockholders choose to sell their shares of common stock. See the section of this Report titled"*Management'sDiscussionandAnalysisofFinancialConditionandResultsof Operations*" for additional information on the potential profits the other registeredholders may experience.

Fluctuations in our stock price may yield material changes in the valuation of the underlying derivatives securities associated with our capital structure, including our Contingent Consideration Shares and Forward Purchase Agreements.

We currently have multiple financial instruments, including underlying derivatives which we account for in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 815 Derivatives and Hedging: Embedded Derivatives. In accordance with the guidance, we value these derivatives at each reporting period and recognize the corresponding adjustments to fair value as changes to other income (expense), net in our Statements of Operations. The fair values are estimated using certain pricing models, which involve various inputs, including our current stock price as of the end of each reporting period. Period-over-period fluctuations in our stock price may result in material changes in the fair value of these derivatives, which in turn may materially impact (positively and negatively) our Statements of Operations.

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We will require additional capital, which additional financing may result in restrictions on our operations or substantial dilution to our stockholders, to support the growth of our business, and this capital might not be available on acceptable terms, if at all.

To date, our primary sources of capital have been private placements of preferred stock, sales of shares of Evolus, debt financing agreements and revenue from introductory financing services. We cannot be certain when or if our operations will generate sufficient cash to fully fund our ongoing operations or the growth of our business. We intend to continue to make investments to support our business, which may require us to engage in equity or debt financings to secure additional funds. Additional financing may not be available on terms favorable to us, if at all. If adequate funds are not available on acceptable terms, we may be unable to invest in future growth opportunities, which could harm our business, operating results, and financial condition. If we incur additional debt, the debt holders would have rights senior to holders of common stock to make claims on our assets, and the terms of any debt could restrict our operations. If we undertake discretionary financing by issuing equity securities, our stockholders may experience substantial dilution.

We may sell common stock, convertible securities or other equity securities in one or more transactions at a price per share that is less than the price per share paid by current stockholders. If we sell common stock, convertible securities, or other equity securities in more than one transaction, stockholders may be further diluted by subsequent sales. Additionally, future equity financings may result in new investors receiving rights superior to our existing stockholders. Because our decision to issue securities in the future will depend on numerous considerations, including factors beyond our control, we cannot predict or estimate the amount, timing, or nature of any future issuances of debt or equity securities. As a result, our stockholders bear the risk of future issuances of debt or equity securities reducing the value of our common stock and diluting their interests.

We may incur significant costs from class action litigation due to the expected stock volatility.

The price of common stock may fluctuate for many reasons, including as a result of public announcements regarding the progress of development efforts for our main product candidate, ABP-450, the development efforts of competitors, the addition or departure of key personnel, variations in pursuit quarterly operating results and changes in market valuations of our acquisition plans, biopharmaceutical and biotechnology companies. This risk is especially relevant to us because biopharmaceutical and biotechnology companies have experienced significant stock price volatility in recent years, including in connection with our proposed initial since the Closing. In addition, recently there has been significant stock price volatility involving the shares of companies that have recently completed a business combination with AEON. Management's plans to address any need for additional capital are discussed a SPAC. When the market price of a stock has been volatile as our common stock's price may be, holders of that stock have occasionally brought securities class action litigation against the company that issued the stock. Additionally, there has recently been a general increase in "Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations." We cannot assure you litigation against companies that our plans to raise capital (if required) or to consummate an initial business combination (including the proposed initial have recently completed a business combination with AEON) will be successful. These factors, among others, raise a SPAC alleging fraud and other claims based on inaccurate or misleading disclosures. If any of our stockholders were to bring a lawsuit of this type against us, even if the lawsuit is without merit, we could incur substantial doubt about costs defending the lawsuit. Any such lawsuit could also divert the time and attention of management.

Any failure to meet the continued listing requirements of NYSE American could result in a delisting of our common stock and our warrants.

If we fail to satisfy the continued listing requirements of NYSE American, such as failing to satisfy any applicable corporate governance requirements or the minimum closing bid price requirement, NYSE American may take steps to delist our securities. Such a delisting would likely have a negative effect on the price of our securities and would impair your ability to continue as sell or purchase the securities when you wish to do so. In the event of a going concern. The consolidated financial statements contained elsewhere in this prospectus do delisting, we can provide no assurance that any action taken by us to restore compliance with listing requirements would allow our securities to become listed again, stabilize the market price or improve the liquidity of our securities, prevent our securities from dropping below the NYSE American minimum bid price requirement or prevent future non-compliance with NYSE American's listing requirements. Additionally, if our securities are not include listed on, or become delisted from, NYSE American for any adjustments reason, and are quoted on the OTC Bulletin Board, an inter-dealer automated quotation system for equity securities that might result from is not a national securities exchange, the liquidity and price of our inability securities may be more limited than if our securities were quoted or listed on NYSE American or another national securities exchange. You may be unable to continue as sell your securities unless a going concern. market can be established or sustained.

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We are an emerging "emerging growth company company" and a smaller reporting company within it cannot be certain if the meaning of the Securities Act, and if we take advantage of certain exemptions from reduced disclosure requirements available applicable to emerging growth companies or smaller reporting companies, this could will make our securities common stock less attractive to investors, and which may make it more difficult to compare our performance with other public companies.

We are an "emerging emerging growth company" within the meaning of the Securities Act, company as modified by defined in the JOBS Act, and we may intend to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies for up to five years following the completion of the Merger, including but not limited to, not being required to comply with the auditor internal controls attestation requirements of Section 404 of the Sarbanes-Oxley Sarbanes- Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. To the extent we continue to take advantage of any of these exemptions, the information that we provide stockholders may be different than what is available with respect to other public companies. Investors may find the our common stock less attractive because we will continue to rely on these exemptions. If some investors find the our common stock less attractive as a result, there may be a less active trading market for the common stock, and the stock price may be more volatile.

An emerging growth company may elect to delay the adoption of new or revised accounting standards. Because we have made this election, Section 102(b)(2) of the JOBS Act allows us to delay adoption of new or revised accounting standards until those standards apply to non-public business entities. As a result, our stockholders the financial statements contained in this report and those that we will file in the future may not have access be comparable to certain information they may deem important. companies that comply with public business entities revised accounting standards effective dates.

We could be an emerging growth company for up to five years, although circumstances could cause us to lose are also a "smaller reporting company" as such term is defined in the Rule 12b-2 of the Exchange Act, meaning that status earlier, including if the market value of our Class A Common Stock common stock held by non-affiliates exceeds $700 million plus any proposed aggregate amount of gross proceeds to us as a result of any June 30 before that time, in which case offering is less than $700 million and our annual revenue is less than $100 million during the most recently completed fiscal year. Even after we would no longer be qualify as an emerging growth company, we may still qualify as a "smaller reporting company" which would allow us to take advantage of many of the following December 31. We cannot predict whether investors will same exemptions from disclosure requirements, including exemption from compliance with the auditor attestation requirements of Section 404 and reduced disclosure obligations regarding executive compensation in periodic reports and proxy statements. Investors could find our securities common stock less attractive because we will it may rely on these exemptions. If some investors find our securities common stock less attractive as a result, of our reliance on these exemptions, the trading prices of our securities may be lower than they otherwise would be, there may be a less active trading market for our securities common stock and the trading prices of our securities price may be more volatile.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period*Future sales and comply with the requirements that apply to non-emerging growth companies but any such an election to opt out is irrevocable. We have elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, we, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of our financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.*

Additionally, we are a "smaller reporting company" as defined in Item 10(f)(1) of Regulation S-K. Smaller reporting companies may take advantage of certain reduced disclosure obligations, including, among other things, providing only two

years of audited financial statements. We will remain a smaller reporting company until the last day of the fiscal year in which (1) the market value issuances of our common stock held by non-affiliates equals or exceeds $250 million as rights to purchase our common stock could result in additional dilution of the prior percentage ownership of our stockholders and could cause our common stock price to fall.

We expect to have sufficient cash to fund our operating plan through June 30th, 2024, including $15 million of committed financing related to the issuance of certain Convertible Notes with Daewoong. For more information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources*." However, we have based these estimates on numerous assumptions that may prove to be wrong, and we could spend our available capital resources much faster than we currently expect or (2) require more capital to fund our annual revenues equaled operations than we currently expect. Significant additional capital will be needed in the future to continue our planned operations, including further development of our product candidate ABP-450, preparing INDs or exceeded $100 million during such completed fiscal year equivalent filings, conducting preclinical studies and clinical trials, commercialization efforts, expanded R&D activities and costs associated with operating a public company. To raise capital, we may sell common stock, convertible securities or other equity securities in one or more transactions at prices and in a manner as determined from time to time. If we sell common stock, convertible securities or other equity securities, existing investors may be materially diluted by subsequent sales. New investors could gain rights, preferences and privileges senior to the market value holders of our common stock.

Pursuant to the 2023 Incentive Award Plan, or "the 2023 Plan", our board of directors (the "Board") or our compensation committee (the "Compensation Committee") is authorized to grant equity-based awards to our employees, directors and consultants. Initially, the aggregate number of shares of our common stock held that may be issued pursuant to stock awards under the 2023 Plan is 3,839,892 shares. Additionally, the number of shares of our common stock reserved for issuance under the 2023 Plan will automatically increase on January 1 of each year, beginning in 2024 and ending in 2033, by non-affiliates equals an amount equal to or exceeds $700 million as the lesser of (i) 4% of the prior June 30th. To number of fully-diluted number of shares outstanding (as calculated pursuant to the extent we take advantage terms of the 2023 Plan) on the final day of the immediately preceding calendar year or (ii) such reduced disclosure obligations, it may also make comparison lesser number of shares as is determined by our financial statements with other public companies difficult or impossible. Board.

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Pursuant to the Employee Stock Purchase Program, or ESPP, our employees will have the opportunity to purchase shares of our common stock at a discount through accumulated payroll deductions. Initially, the aggregate number of shares of common stock that may be issued under the ESPP is 488,146 shares. In addition, the number of shares of common stock available for issuance under the ESPP will be annually increased on January 1 of each calendar year beginning in 2024 and ending in 2033 by an amount equal to the lesser of (a) 1% of the fully-diluted number of shares outstanding (as calculated pursuant to the terms of the ESPP) on the final day of the immediately preceding calendar year or (b) such lesser number of shares as is determined by our Board. Unless our Board elects not to increase the number of shares available for future grant each year, our stockholders may experience additional dilution, which could cause the price of our common stock to fall.

Our issuance of additional shares of common stock or other equity securities of equal or senior rank would, all else being equal, have the following effects:

- existing stockholders' proportionate ownership interests would decrease;
- the amount of cash available per share of common stock, including for payment of dividends in the future, may decrease;
- the relative voting strength of each previously outstanding share of common stock would be diminished; and
- the market price of shares of our common stock may decline.

Our disclosure controls and procedures may not prevent or detect all errors or acts of fraud.

We must design our disclosure controls and procedures to reasonably assure that information we must disclose in reports we file or submit under the Exchange Act is accumulated and communicated to management, and recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the SEC. We believe that any disclosure controls and procedures or internal controls and procedures, no matter how well-conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. For example, our directors or executive officers could inadvertently fail to disclose a new relationship or arrangement causing us to fail to make a required related party transaction disclosure. Additionally, controls and procedures can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements due to error or fraud may occur and not be detected.

Reports published by analysts, including projections in those reports that differ from our actual results, could adversely affect the price and trading volume of our common stock.

We currently expect that securities research analysts will establish and publish their own periodic financial projections for the business of AEON. These projections may vary widely and may not accurately predict the results AEON actually achieves. AEON's stock price may decline if its actual results do not match the projections of these securities research analysts. Similarly, if one or more of the analysts who write reports on AEON downgrades its stock or publishes inaccurate or unfavorable research about its business, AEON's stock price could decline. If one or more of these analysts ceases coverage of AEON or fails to publish reports on AEON regularly, its stock price or trading volume could decline. While we expect research analyst coverage, if no analysts commence coverage of AEON, the trading price and volume for our common stock could be adversely affected.

The obligations associated with being a public company involve significant expenses and require significant resources and management attention, which may divert from AEON's business operations.

As a public company, AEON is subject to the reporting requirements of the Exchange Act and the Sarbanes-Oxley Act. The Exchange Act requires the filing of annual, quarterly and current reports with respect to a public company's business and financial condition. The Sarbanes-Oxley Act requires, among other things, that a public company establish and maintain effective internal control over financial reporting. The listing requirements of NYSE American also require that we satisfy certain corporate governance requirements. As a result, AEON will incur significant legal, accounting and other expenses that AEON did not previously incur. AEON's entire management team and many of its other employees will need to devote substantial time to compliance, and may not effectively or efficiently manage its transition into a public company.

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These rules and regulations will result in AEON incurring substantial legal, financial and accounting compliance costs in addition to other expenses and will make some activities more time-consuming and costly. The increased costs will decrease our net income or increase our consolidated net loss, and may require us to reduce costs in other areas of our business or increase the prices of our products or services. For example, these rules and regulations will likely make it more difficult and more expensive for AEON to obtain director and officer liability insurance, and it may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. We cannot predict or estimate the amount or timing of additional costs we may incur to respond to these requirements. As a result, it may be difficult for AEON to attract and retain qualified people to serve on its Board, its Board committees or as executive officers.

Provisions in AEON's certificate of incorporation, AEON's bylaws and Delaware law have anti-takeover effects that discourage an acquisition of AEON by others, even if an acquisition would be beneficial to our amended stockholders, and restated may prevent attempts by our stockholders to replace or remove our current management, which could depress the trading price of our common stock.

AEON's certificate of incorporation, bylaws, and Delaware law contain provisions that may have the effect of discouraging, delaying or preventing a change in control of us or changes in our management that stockholders may consider favorable, including transactions in which you might otherwise receive a premium for your shares. AEON's certificate of incorporation and Delaware law may inhibit a takeover of us, bylaws include provisions that:

- authorize "blank check" preferred stock, which could be issued by our Board without stockholder approval and may contain voting, liquidation, dividend and other rights superior to common stock;
- create a classified Board whose members serve staggered three-year terms;
- specify that special meetings of our stockholders can be called only by our Board, the chairperson of the Board or our chief executive officer or president;
- prohibit stockholder action by written consent;
- establish an advance notice procedure for stockholder approvals to be brought before an annual meeting of our stockholders, including proposed nominations of persons for election to our Board;
- specify that no stockholder is permitted to cumulate votes at any election of directors;
- expressly authorize our Board to adopt, amend or repeal our bylaws; and
- require supermajority votes of the holders of common stock to amend specified provisions of our certificate of incorporation and bylaws. These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in our management. These provisions could also limit the price that investors might be willing to pay in the future for our shares of Class A Common Stock and could entrench management.

Our amended and restated certificate our common stock, thereby depressing the market price of incorporation contains provisions that may discourage unsolicited takeover proposals that stockholders may consider to be in their best interests. These provisions include a staggered board of directors and the ability of the board of directors to designate the terms of and issue new series of preferred stock, which may make more difficult the removal of management and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our securities.

common stock.

We In addition, because we are also subject to anti-takeover provisions under Delaware law, which could delay or prevent a change of control. Together these provisions may make the removal of management more difficult and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our securities.

Provisions in our amended and restated certificate of incorporation and Delaware law may have the effect of discouraging lawsuits against our directors and officers.

Our amended and restated certificate of incorporation requires, unless we consent in writing to the selection of an alternative forum, that (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee to us or our stockholders, (iii) any action asserting a claim against us, our directors, officers or employees arising pursuant to any provision of the DGCL or our amended and restated certificate of incorporation or bylaws, or (iv) any action asserting a claim against us, our directors, officers or employees governed by the internal affairs doctrine may be brought only in the Court of Chancery incorporated in the State of Delaware, except any claim (A) as we are governed by the provisions of Section 203 of the DGCL, which prohibits a person who owns in excess of 15% of our outstanding voting stock from merging or combining with us for a period of three years after the date of the transaction in which the person acquired in excess of 15% of our outstanding voting stock, unless the merger or combination is approved in a prescribed manner.

Any provision of our certificate of incorporation, bylaws or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to which receive a premium for their shares of our common stock, and could also affect the price that some investors are willing to pay for our common stock.

AEON's certificate of incorporation and bylaws designate the Court of Chancery of the State of Delaware determines that there is an indispensable party not subject to the jurisdiction of the Court of Chancery (and the indispensable party does not consent to the personal jurisdiction of the Court of Chancery within ten days following such determination), (B) which is vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery, or (C) for which the Court of Chancery does not have subject matter jurisdiction. If an action is brought outside of Delaware, the stockholder bringing the suit will be deemed to have

consented to service of process on such stockholder's counsel. Although we believe this provision benefits us by providing increased consistency in the application of Delaware law in the types of lawsuits to which it applies, a court may determine that this provision is unenforceable, and to the extent it is enforceable, the provision may have the effect of discouraging lawsuits against our directors and officers, although our stockholders will not be deemed to have waived our compliance with federal securities laws and the rules and regulations thereunder.

Notwithstanding the foregoing, our amended and restated certificate of incorporation provides that as the exclusive forum provision will not apply for certain state law litigation that may be initiated by our stockholders and the United States federal district courts as the exclusive forum for certain securities law actions, which could limit our stockholders' ability to suits brought litigate disputes with us in a different judicial forum and increase the costs for our stockholders to enforce a duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. Section 27 pursue certain claims against us.

Pursuant to AEON's bylaws and certificate of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder.

Additionally, incorporation, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: (i) anyderivativeactionorproceedingbroughtonourbehalf;(ii)anyactionassertingaclaimof

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breachof a fiduciary duty owed by any of our current or former directors, officers or employees to us or our stockholders; (iii)anyactionassertingaclaimarisingpursuanttoanyprovisionoftheDGCL,AEON's certificateofincorporationandbylaws(includingtheirinterpretation,validityorenforceability);or(iv)any actionassertingaclaimgovernedbytheinternalaffairsdoctrine.Thisexclusiveforumprovisionwillnot applytoanycausesofactionarisingundertheSecuritiesActortheExchangeActoranyotherclaimfor whichthefederalcourtshaveexclusivejurisdiction.Stockholderscannotwaivecompliancewiththe Securities Act, the Exchange Act or any other federal securities laws or the rules and regulationsthereunder.

Unless we consent in writing to the selection of an alternate forum, the United States federal district courts shall be the sole and exclusive forum for the resolution of resolving any complaint asserting a cause of action arising under the Securities Act against us or Act. In addition, our bylaws provide that any of our directors, officers, other employees or agents. Section 22 of the Securities Act, however, created concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Accordingly, there is uncertainty as to whether a court would enforce these exclusive forum provisions, and the enforceability of similar choice of forum provisions in other companies' charter documents has been challenged in legal proceedings. While the Delaware courts have determined that such exclusive forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions, and there can be no assurance that such provisions will be enforced by a court in those other jurisdictions. Any person or entity purchasing or otherwise acquiring any interest in shares of our securities shall be capital stock is deemed to have notice of and consented to these provisions; however, we note that investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder.

Although we believe this provision benefits us by providing increased consistency exclusive forum provisions. The forum selection provisions in the application of Delaware law in the types of lawsuits to which it applies, the provision our bylaws may limit our stockholders' ability to obtain litigate disputes with us in a favorable judicial forum that they find favorable for disputes with us or our directors, officers or employees, which may discourage the filing of lawsuits against us and our directors, officers and employees, even though an action, if successful, might benefit our stockholders. In addition, these forum selection provisions may impose additional litigation costs for stockholders who determine to pursue any such lawsuits against us.

General Risks

Our business and operations would suffer in the event of computer system failures, including but not limited to our information technology systems, infrastructure and data, or those of our third-party vendors, contractors or consultants failing, becoming unavailable, or suffering security breaches, losses or leakages of data and other disruptions, which could result in disruption of our services, compromise sensitive information (including personal information) related to our business, or prevent us from accessing critical information, potentially exposing us to liability or otherwise adversely affecting our business.

We are increasingly dependent upon information technology systems, infrastructure and data to operate our business. In the ordinary course of business, we collect, store and transmit confidential information (including but not limited to intellectual property, proprietary business information and personal information). It is critical that we do so in a secure manner to maintain the confidentiality and integrity of such confidential information. We also have outsourced elements of our operations to third parties, and as a result we manage a number of third-party vendors and other contractors and consultants who have access to our confidential information.

Despite the implementation of security measures, our internal computer systems, and those of third parties on which we rely, are vulnerable to breakdown or other damage from service interruptions, computer viruses, malware, natural disasters, terrorism, war, telecommunication and electrical failures, cyber-attacks or cyber-intrusions, including ransomware attacks, over the internet, attachments to emails, persons inside our organization, or persons with access to systems inside our organization. The risk of a security breach or disruption, particularly through cyber-attacks or cyber-intrusions, including by computer hackers, foreign governments, and cyber-terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. If such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our current or future product development programs. For example, the loss of clinical study data from completed or any future ongoing or planned clinical studies could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. To the extent that any disruption or security breach was to result in a loss of or damage to our data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur material legal claims and liability, damage to our reputation, and the further development of our product candidate could be delayed.

We cannot assure you that our data protection efforts and our investment in information technology will prevent breakdowns, data leakages, breaches in our systems, or those of our third-party vendors and other contractors and consultants, or other cyber incidents that could have a material adverse effect upon our reputation, business, operations, or financial condition. For example, if such an event were to occur and cause interruptions in our operations, or those of our third-party vendors and other contractors and consultants, it could result in a material disruption or delay of the development of ABP-450 and future product candidates. Furthermore, significant disruptions of our internal information technology systems or those of our third-party vendors and other contractors and consultants, or security breaches could result in the loss, misappropriation, or unauthorized access, use, or disclosure of, or the prevention of access to, confidential information, which could result in financial, legal, business and reputational harm to us. For example, any such event that leads to actual or perceived unauthorized access, use, or disclosure of personal information, including personal information regarding our customers or employees, could harm our reputation directly, compel us to comply with federal or state breach notification laws and foreign law equivalents, subject us to mandatory corrective action, and otherwise subject

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us to liability under laws and regulations that protect the privacy and security of personal information, which could result in significant legal and financial exposure and reputational damages that could potentially have a material adverse effect on our business, financial condition, results of operations and prospects.

We rely on third parties to provide services and technology necessary for the operation of our business. Any failure of one or more of our vendors, suppliers or licensors to provide these services or technology could have a material adverse effect on our business.

We rely on third-party vendors to provide critical services, including, among other things, services related to accounting, billing, human resources, and information technology that we cannot or do not provide ourselves. We depend on these vendors to ensure that our corporate infrastructure will consistently meet our business requirements. The ability of these third-party vendors to successfully provide reliable and high quality services is subject to technical and operational uncertainties that are beyond our control.

While we may be entitled to damages if our vendors fail to perform under their agreements with us, the amount of damages we receive may be limited. In addition, we do not know whether we will be able to collect on any award of damages or that these damages would be sufficient to cover the actual costs we would incur as a result of any vendor's failure to perform under its agreement with us. Any failure of our corporate infrastructure could have a material adverse effect on our business, financial condition and results of operations. Upon expiration or termination of any of our agreements with third-party vendors, we may not be able to replace the services provided to us in a timely manner or on terms and conditions, including service levels and cost, that are favorable to us and a transition from one vendor to another vendor could subject us to operational delays and inefficiencies until the transition is complete.

If securities or industry analysts do not publish research or publish unfavorable research about our business, our stock price and trading volume could decline.

The trading market for our common stock will rely in part on the research and reports that equity research analysts publish about us and our business. We do not currently have and may never obtain research coverage by equity research analysts. Equity research analysts may elect not to provide research coverage of our common stock, and such lack of research coverage may adversely affect the market price of our common stock. In the event we obtain equity research analyst coverage, we will not have any control of the effect analysts or the content and opinions included in their reports. The price of discouraging lawsuits against our directors common stock could decline if one or more equity research analysts downgrades our common stock or issues other unfavorable commentary or research. If one or more equity research analysts ceases coverage of our company or fails to publish reports on us regularly, demand for our common stock could decrease, which in turn could cause the trading price or trading volume of our common stock to decline.

Operating as a public company requires us to incur substantial costs and officers. requires substantial management attention. In addition, our management team has limited experience managing a public company and the requirements of being a public company may strain our resources, divert management's attention and affect our ability to attract and retain additional executive management and qualified board members.

As a public company, we will incur substantial legal, accounting and other expenses that we did not incur as a private company. For example, we are subject to the reporting requirements of the Exchange Act, the applicable requirements of the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, and the rules and regulations of the SEC. The rules and regulations of NYSE American also apply to us. As part of the new requirements, we have established and will need to maintain effective disclosure and financial controls and have made and will need to maintain changes to our corporate governance practices. We expect that compliance with these requirements will increase our legal and financial compliance costs and will make some activities more time-consuming or costly, and increase demand on our systems and resources.

We are leanly staffed and some of our management and other key personnel have limited experience managing a public company and preparing public filings. In addition, as a public company, certain of our management and other key personnel will be required to divert attention from other business matters to devote substantial time to the reporting and other requirements of being a public company. In particular, we expect to incur significant expense and devote substantial management effort to complying with the requirements of Section 404 of the Sarbanes-Oxley Act. We will need to hire additional accounting and financial staff with appropriate public company experience and technical accounting knowledge.

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As a result of disclosure of information in this report and in filings required of a public company, our business and financial condition will become more visible, which may result in threatened or actual litigation, including by stockholders and competitors. If such claims are successful, our business and operating results could be adversely affected, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and adversely affect our business and operating results.

In addition, as a result of our disclosure obligations as a public company, we have reduced flexibility and are under pressure to focus on short-term results, which may adversely affect our ability to achieve long-term profitability.

Item 1B. Unresolved Staff Comments

Not applicable.

Item 1C. Cybersecurity

We maintain a cybersecurity risk management program designed to identify, assess, manage, mitigate, and respond to cybersecurity threats and to protect the confidentiality, integrity, and availability of our critical systems and information.

The underlying process and controls of our cyber risk management program incorporate recognized best practices and standards for cybersecurity and information technology ("IT"), including the National Institute of Standards and Technology Cybersecurity Framework (NIST CSF). We have an annual risk assessment performed by a third-party specialist of our cyber risk management program against the NIST CSF. This assessment identifies, quantifies, and categorizes material cyber risks. In addition, the Company, in conjunction with our third-party specialists, have developed a risk mitigation plan to address such risks, and where necessary, to remediate potential vulnerabilities identified through the assessment process.

We maintain policies and processes over areas such as information security, IT asset lifecycle, data destruction, backup, access provisioning, and maintenance of network accounts, to help govern the processes put in place by management designed to protect our IT assets, data, and services from threats and vulnerabilities. We partner with cybersecurity providers and consultants (collectively, "providers") leveraging third-party technology and expertise. These providers are a key part of our cybersecurity risk management strategy and infrastructure. These providers deliver services including systems inventory monitoring, vulnerability testing, user management including restricted access of privileged accounts, capacity monitoring, network protection and monitoring, endpoint protection, managed detection and response, remote monitoring and management, cybersecurity user awareness training, data backup management, incident response, cybersecurity strategy, and cyber risk advisory, assessment, and remediation.

Our management team, in conjunction with our third-party IT and cybersecurity service providers, is responsible for oversight and administration of our cyber risk management program, and for informing senior management and other relevant stakeholders regarding the prevention, detection, mitigation, and remediation of cybersecurity incidents. Our management team, in conjunction with our strategic third-party partners, oversees our cybersecurity technologies, initiatives, and processes, and relies on threat intelligence as well as other information obtained from governmental, public, or private sources, including external consultants engaged for strategic cyber risk management, advisory and decision making.

We have implemented third-party risk management processes to manage the risks associated with reliance on vendors, critical service providers, and other third-parties that may lead to a service disruption or an adverse cybersecurity incident. This includes an assessment of vendors during the selection and onboarding process, review of System and Organization Control (SOC) reports on an annual basis and a regular review of vendor contracts.

We face risks from cybersecurity threats that could have a material adverse effect on our business, financial condition, results of operations, cash flows or reputation. We acknowledge that the risk of cyber incidents is prevalent in the current threat landscape and that a future cyber incident may occur in the normal course of business. The Company has not identified risks from known cybersecurity threats, including as a result of any prior cybersecurity incidents, that have materially affected or are reasonably likely to materially affect us, including our operations, business strategy, financial condition, results of operations, or cash flows. We proactively seek to detect and investigate unauthorized attempts and attacks against IT assets, data, and

services, and to prevent their occurrence and recurrence where practicable; however, potential vulnerabilities to known or unknown threats will still remain.

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Our initial business combination Further, there is increasing regulation regarding responses to cybersecurity incidents, including reporting to regulators, investors, and our structure thereafter may not be tax-efficient additional stakeholders, which could subject the Company to our stockholders additional liability and warrant holders. As a result reputational harm. In response to such risks, we have implemented initiatives such as implementation of our business combination, our tax obligations may be more complex, burdensome the cybersecurity risk assessment process and uncertain. development of an incident response plan.

**Although we will attempt to structure our initial For more information, see the section titled "*Risk Factor—* *Our business combination in a tax-efficient manner, tax structuring considerations are complex, the relevant facts and law are uncertain and may change, and we may prioritize commercial and other considerations over tax considerations. For example, in connection with our initial business combination and subject to any requisite stockholder approval, we may structure our business combination in a manner that requires stockholders and/or warrant holders to recognize gain or income for tax purposes, effect a business combination with a target company in another jurisdiction, or reincorporate in a different jurisdiction (although this is not contemplated operations would suffer in the case event of our proposed initial business combination with AEON) (including computer system failures, including but not limited to the jurisdiction in which the target company our information technology systems, infrastructure and data, or business is located). We do not intend to make any cash distributions to stockholders those of our third-party vendors, contractors or warrant holders to pay taxes in connection with our business combination consultants failing, becoming unavailable, or thereafter. Accordingly, a stockholder suffering security breaches, losses or a warrant holder may need to satisfy any liability resulting from our initial business combination with cash from its own funds or by selling all or a portion leakages of the shares received. In addition, stockholders and warrant holders may also be subject to additional income, withholding or other taxes with respect to their ownership of us after our initial business combination.*

In addition, we may effect a business combination with a target company that has business operations outside of the United States, and possibly, business operations in multiple jurisdictions. If we effect such a business combination, we could be subject to significant income, withholding data and other tax obligations in a number of jurisdictions with respect to income, operations and subsidiaries related to those jurisdictions. Due to the complexity of tax obligations and filings in other jurisdictions, we may have a heightened risk related to audits or examinations by U.S. federal, state, local and non-U.S. taxing authorities. This additional complexity and risk could have an adverse effect on our after-tax profitability and financial condition.

Cyber incidents or attacks directed at us disruptions, which could result in disruption of our services, compromise sensitive information theft, data corruption, operational disruption and/ (including personal information) related to our business, or financial loss. prevent us from accessing critical information, potentially exposing us to liability or otherwise adversely affecting our business."

We depend Cybersecurity Governance

Our Board considers cybersecurity risk as part of its risk oversight function and has delegated to the Audit Committee (the "Committee") oversight of cybersecurity, data privacy and other information technology risks. The Committee oversees management's implementation of our cybersecurity risk management program and cybersecurity risk exposures, and the steps taken by management to monitor and mitigate cybersecurity risks. The Committee is composed of members of our board of directors with diverse expertise, including risk management, biotechnology, chief executive officer and chief financial officer roles, and multiple public company directorships, which has prepared them to oversee our cybersecurity risks.

The Committee receives periodic reports from management on digital technologies, including information systems, infrastructure and cloud applications and services, our cybersecurity risks. In addition, management updates the Committee, as necessary, regarding any material cybersecurity incidents, as well as any incidents with lesser impact potential.

The Committee reports to the Board regarding its activities, including those of third parties with which we may deal. Sophisticated and deliberate attacks on, or security breaches in, our systems or infrastructure, or the systems or infrastructure

of third parties or the cloud, could lead related to corruption or misappropriation of our assets, proprietary information and sensitive or confidential data. As an early stage company without significant investments in data security protection, we may not be sufficiently protected against such occurrences. We may not have sufficient resources to adequately protect against, or to investigate and remediate any vulnerability to, cyber incidents. It is possible that any of these occurrences, or a combination of them, could have adverse consequences cybersecurity. The Board also receives briefings from management on our business cybersecurity risk management program. Board members receive presentations on cybersecurity topics from our Chief Financial Officer and lead to financial loss. EVP, Chief Legal Officer, internal security consultants and external experts as part of the Board's continuing education on topics that impact public companies.

Our management team, including our Chief Financial Officer and EVP, Chief Legal Officer, is responsible for assessing and managing our material risks from cybersecurity threats. The team has primary responsibility for our overall cybersecurity risk management program and supervises efforts to prevent, detect, mitigate and remediate cybersecurity risks and incidents through various means, which may include briefings from internal security consultants; threat intelligence and other information obtained from governmental, public or private sources, including external consultants engaged by us; and alerts and reports produced by security tools deployed in the information technology environment. Our management team's experience includes monitoring the cybersecurity landscape for new risks and best practices, developing and executing cybersecurity strategies, overseeing related governance policies, testing compliance with applicable technical standards, remediating known risks and leading employee training programs.

Item 2. Properties

Our principal executive office is located at 5 Park Plaza, Suite 1750, Irvine, California 92614. In September 2021, we entered into a lease agreement for 8,000 square feet of office space located at this facility, with a lease term of 36 months beginning in December 2021 and ending in December 2024. Wemaylookforadditionaloralternatespaceforouroperations, and we believe that suitable additional or alternative space will be available in the future on commercially reasonableterms.

Item 3. Legal Proceedings

On September 18, 2023, Odeon Capital Group LLC ("Odeon") filed a lawsuit against the Company in the Supreme Court of the State of New York, alleging that the Company failed to pay Odeon's deferred underwriting fee of $1.25 million. Odeon claims that it served as the underwriter for Priveterra Acquisition Corp., the special purpose acquisition company with which Old AEON merged with and into in July 2023. Odeon seeks monetary damages for the full amount of its claimed underwriting fee, punitive damages,

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Item 1B. Unresolved Staff Comments attorneys' fees and other amounts. On November 16, 2023, the Company filed a motion to dismiss certain claims included in Odeon's complaint.

None.

Item 2. Properties

We currently maintain our executive offices at 300 SE 2nd Street, Suite 600, Fort Lauderdale, Florida 33301. The cost for the space is included in the up to $25,000 monthly fee that we pay our sponsor for office space, administrative and support services. We consider our current office space adequate for our current operations.

Item 3. Legal Proceedings

None.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

(a) Market Information

Our units, shares of Class A Common Stock and warrants are each traded common stock trades on the Nasdaq NYSE American under the symbols "PMGMU," "PMGM" and "PMGMW," respectively. Our units symbol "AEON". Trading of our common stock commenced on July 24, 2023 in connection with the consummation of our Merger. Prior to that time, there was no established public trading on February 9, 2021. Shares market for our common stock.

Holders

As of our Class A common and warrants are expected to begin separate trading on April 1, 2021.

(b) Holders

On March 25, 2022 March 26, 2024, there was one holder of record of our units, one holder of record of our Class A Common Stock, one holder of our Class B Common Stock and three were approximately 643 holders of record of our warrants.

(c) Dividends

We have common stock. These numbers do not paid any cash dividends on include beneficial owners whose shares were held in street name. The actual number of holders of our common stock is greater than this number of record holders and includes stockholders who are beneficial owners, but whose shares are held in street name by brokers or held by other nominees.

Dividends

The Company has never declared dividends on the Company's equity securities, and currently does not plan to date declare dividends on shares of the Company's common stock in the foreseeable future. The Company expects to retain future earnings, if any, for use in the operation and do not intend to pay cash dividends prior to expansion of the completion of a business combination. Company's business. The payment of cash dividends in the future, if any, will be dependent upon our revenues and earnings, if any, capital requirements and general financial condition subsequent to completion of a business combination. The payment of any cash dividends subsequent to a business combination will be within at the discretion of our board of directors at the Board and will depend upon such time. Further, if we incur factors as earning levels, capital requirements, overall financial condition and any indebtedness, our ability to declare dividends may be limited other factors deemed relevant by restrictive covenants we may agree to in connection therewith. We do not currently intend to incur indebtedness in connection with our proposed initial business combination with AEON. the Board.

(d) Securities Authorized for Issuance Under Equity Compensation Plans

None.

(e) Performance Graph

Not applicable.

(f) RecentUnregistered Sales of Unregistered Securities; Equity Securities and Use of Proceeds from Registered Offerings

Unregistered Sales

On December 17, 2020 During the fiscal year ended December 31, 2023, our sponsor paid $25,000, the Company did not make any unregistered issuances or approximately $0.004 per share, to cover certain offering costs in consideration for 5,750,000 founder shares. On February 8, 2021, as part sales of an upsizing of our initial public offering, we effected a stock split in which each issued share of Class B Common Stock equity securities that was outstanding was converted into one and two tenths shares of Class B Common Stock, resulting in an aggregate of 6,900,000 shares of Class B Common Stock issued and outstanding. The founder shares will automatically convert into shares of Class A Common Stock concurrently with or immediately following the consummation of our initial business combination on a one-for-one basis, subject to adjustment for stock splits, stock dividends, reorganizations, recapitalizations and the like, and subject to further adjustment as provided herein. In the case that additional shares of Class A Common Stock or equity-linked securities are issued or deemed issued in connection with our initial business combination, the number of shares of Class A Common Stock issuable upon conversion of all founder shares will equal, in the aggregate, on an as-converted basis, 20% of the total number of shares of Class A Common Stock outstanding after such conversion (after giving effect to any redemptions of shares of Class A Common Stock by public stockholders), including the total number of shares of Class A Common Stock issued, or deemed issued or issuable upon conversion or exercise of any equity-linked securities or rights issued or deemed issued, by the company in connection with or in relation to the consummation of the initial business combination, excluding any shares of Class A Common Stock or equity-linked securities or rights exercisable for or convertible into shares of Class A Common Stock issued, or to be issued, to any seller in the initial business combination and any private placement warrants issued to our sponsor, officers or directors upon conversion of working capital loans, provided that such conversion of founder shares will never occur on a less than one-for-one basis.

With certain limited exceptions, the founder shares are were not transferable, assignable or salable (except to our officers and directors and other persons or entities affiliated with our sponsor, each of whom will be subject to the same transfer restrictions) until the earlier of (A) one year after the completion of our initial business combination or earlier if, subsequent to our initial business combination, the closing price of the Class A Common Stock equals or exceeds $12.00 per share (as adjusted for stock splits, stock capitalizations, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 150 days after our initial business combination, and (B) the date following the completion of our initial business combination on which we complete a liquidation, merger, capital stock exchange or other similar transaction that results in all of our stockholders having the right to exchange their Class A Common Stock for cash, securities or other property.

Our sponsor purchased 5,213,333 private placement warrants at a price of $1.50 per warrant reported in a private placement that occurred concurrently with the closing of our IPO and generated gross proceeds of $7,820,000. Each private placement warrant is exercisable for one share of Class A Common Stock at a price of $11.50 per share. The proceeds from the sale of the private placement warrants were added to the net proceeds from the IPO held in the trust account. If we do not complete a business combination by August 11, 2023, the private placement warrants will expire worthless. The private placement warrants are non-redeemable and exercisable Current Report on a cashless basis so long as they are held by our sponsor or its permitted transferees. The sale of the private placement warrants was made pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act. Form 8-K.

On June 28, 2021, our sponsor elected to convert $100,000 of outstanding principal amount under certain working capital loans into, and we issued, certain working capital warrants to purchase 66,667 shares of our Class A Common Stock at a purchase price of $11.50 per share, subject to adjustment as described in the private placement warrants. Such warrants were identical to the private placement warrants issued to the sponsor in connection with our initial public offering. The issuance of such warrants was made pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act.

Use of Proceeds

Of the $283,820,000 in proceeds we received from our IPO and the sale of the private placement warrants, a total of $276,000,000 was placed in a U.S.-based trust account maintained by Continental Stock Transfer & Trust Company, acting as trustee. The underwriter's deferred commissions of $9,660,000 will be paid from this $276,000,000.

There has been no material change in the planned use of proceeds from such use as described in the company's final prospectus (File No. 333-252310), dated February 11, 2021, which was declared effective by the SEC on February 8, 2021.

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(g) Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

Item 6. Selected Financial Data Reserved
Not applicable.

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Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of the Company's financial condition and results of operations should be read in conjunction together with our audited the consolidated financial statements and the related notes related thereto which are and other financial information included elsewhere in "Item 8. Financial Statements and Supplementary Data" this Report. Some of this Annual Report on Form 10-K. Certain the information contained in the this discussion and analysis contains forward-looking statements that involve risks and uncertainties. As a result of many factors, such as those set forth below includes forward-looking statements. Our in Part I, Item 1A. "Risk Factors" and in the section of this Reported captioned "Cautionary Statement Regarding Forward-Looking Statements", actual results may differ materially from those anticipated in these forward-looking statements as statements. Unless the context otherwise requires, references to "we", "us", "our" and "the Company" refer to the business and operations of AEON Biopharma, Inc. and its consolidated subsidiaries prior to the Merger ("Old AEON" or the "Predecessor") and to AEON Biopharma, Inc. ("AEON") following the consummation of the Merger.

On December 12, 2022, Old AEON and Priveterra Acquisition Corp. ("Priveterra"), a result of many factors, including those set forth under "Cautionary Note Regarding Forward-Looking Statements and Risk Factor Summary," "Item 1A. Risk Factors" and elsewhere in this Annual Report on Form 10-K.

Overview

We are a blank check special purpose acquisition company incorporated in Delaware on November 17, 2020. We were formed for the purpose of effecting a merger, share capital stock exchange, asset acquisition, share stock purchase, reorganization, or other similar business combination with one or more target businesses, entered into a Business Combination and Merger Agreement (the "Business Combination" Combination Agreement").

Our Sponsor is Priveterra Sponsor, LLC, a Delaware limited liability company. The registration statement for the Initial Public Offering was declared effective on February 8, 2021. On February 11, 2021 July 21, 2023, we the parties consummated the Initial Public Offering of 27,600,000 Units, at $10.00 per Unit, generating gross proceeds of $276,000,000, and incurring offering costs of approximately $5,520,000, inclusive of approximately $9,660,000 in deferred underwriting commissions. On November 16,

2022, transactions contemplated by the Company and one of Business Combination Agreement (collectively referred to as the underwriters executed a waiver letter confirming the underwriter's waiver of its deferred fee under the terms of the underwriting agreement. As a result, the Company recognized income of $3,767,400 in relation to the waiver of the deferred underwriter fee allocated to the underwriter in the accompanying consolidated financial statements. As of December 31, 2022 and 2021, the deferred underwriting fee payable is $5,892,600 and $9,660,000, respectively. On January 23, 2023, the Company and a second underwriter executed a waiver letter confirming the underwriter's waiver of its deferred fee under the terms of the underwriting agreement which represents and additional $4,636,800 of the deferred fee as waived.

Simultaneously "Merger"). In connection with the closing of the Initial Public Offering, we consummated Merger (the" Closing"), Priveterra changed its name from Priveterra Acquisition Corp. to AEON Biopharma, Inc.

Priveterra was deemed the Private Placement of 5,213,333 Private Placement Warrants, at a price of $1.50 per Private Placement Warrant to our Sponsor, generating gross proceeds to us of approximately $7,820,000.

Upon accounting acquirer in the closing Merger based on an analysis of the Initial Public Offering criteria outlined in Accounting Standards Codification 805, Business Combinations. Old AEON was deemed to be the predecessor entity based on an analysis of the criteria outlined in the Accounting Standards Codification 805, Business Combinations. Accordingly, the historical financial statements of Old AEON became the historical financial statements of the combined company upon the consummation of the Merger. As a result, the financial statements included in this report reflect (i) the historical operating results of Old AEON prior to the Merger (Predecessor); and (ii) the combined results of the Company following the Closing (Successor). The accompanying financial information includes a predecessor period, which includes the periods through July 21, 2023 concurrent with the Merger, and the Private Placement, $276,000,000 ($10.00 per Unit) of successor period from July 22, 2023 through December 31, 2023. A black-line between the net proceeds of the Initial Public Offering Successor and certain of the proceeds of the Private Placement was Predecessor periods has been placed in the Trust Account consolidated financial statements and was invested in permitted the tables to the notes to the statements to highlight the lack of comparability between these two periods and differentiate the cut-off of these periods.

Overview

We are a clinical stage biopharmaceutical company focused on developing our proprietary botulinum toxin complex, ABP-450 (prabotulinumtoxinA) injection ("ABP-450") for debilitating medical conditions, with an initial focus on the neurology and gastroenterology markets. We plan to develop ABP-450 to address the estimated $3.0 billion global therapeutic botulinum toxin market, which is projected to grow to $4.4 billion in 2027, according to the Decision Resources Group Therapeutic Botulinum Toxin Market Analysis Global as of 2021. We recently completed a Phase 2 study of ABP-450 for the treatment of cervical dystonia and have an ongoing Phase 2 study of ABP-450 for the treatment of both chronic and episodic migraine. ABP-450 is the same botulinum toxin complex that is currently approved and marketed for cosmetic indications by Evolus, Inc. under the name Jeuveau in the United States "government securities" within the meaning of Section 2(a)(16) of the Investment Company Act of 1940, as amended, having a maturity of 185 days or less or and Nuceiva in money market funds meeting certain conditions under Rule 2a-7 promulgated under the Investment Company Act that invest only in direct U.S. government treasury obligations.

Our management has broad discretion with respect to the specific application of the net proceeds of the Initial Public Offering Canada and the sale European Union. ABP-450 is manufactured by Daewoong Pharmaceutical Co. Ltd. ("Daewoong") in compliance with current good manufacturing processes ("cGMP") in a facility that has been approved by the U.S. Food and Drug Administration (the "FDA"), Health Canada and the European Medicines Agency ("EMA"). We have exclusive development and distribution rights for therapeutic indications of ABP-450 in the Private Placement Warrants, although substantially all of United States, Canada, the net proceeds are intended European Union, the United Kingdom, and certain other international territories. We have built a highly experienced management team with specific experience in biopharmaceutical and botulinum toxin development and commercialization.

Botulinum toxins have proven to be applied generally toward consummating a Business Combination.

We will only have 30 months from the closing of the Initial Public Offering, or August 11, 2023, (or such later date as may be highly versatile therapeutic biologic, with over 230 therapeutic uses documented in published scientific literature and nine approved by Priveterra stockholders in an amendment to the Current Charter) to complete our initial Business Combination (the "Combination Period"). If we do not complete a Business Combination within this period of time, we will (i) cease all operations except for the purposes of winding up; (ii) as promptly as reasonably possible, but not more than ten business days thereafter,

redeem the Public Shares for a per share pro rata portion of the Trust Account, including interest and not previously released to us to fund our working capital requirements (less taxes payable and up to $100,000 of such net interest to pay dissolution expenses) and (iii) as promptly as possible following such redemption, dissolve and liquidate the balance of our net assets to our remaining stockholders, as part of our plan of dissolution and liquidation. Our Sponsor and our executive officers and independent director nominees (the "initial stockholders") entered into a letter agreement with us, pursuant to which they have waived their rights to participate in any redemption with respect to their Founder Shares; however, if the initial stockholders or any of our officers, directors or affiliates acquire shares of common stock in or after the Initial Public Offering, they will be entitled to a pro rata share of the Trust Account upon our redemption or liquidation therapeutic indications in the event United States. Our initial development programs for ABP-450 are directed at migraine, cervical dystonia and gastroparesis. We selected these initial indications based on a comprehensive product assessment screen designed to identify indications where we do not complete believe ABP-450 can deliver significant value to patients, physicians and payors and where its clinical, regulatory and commercial characteristics suggest viability. We believe that ABP-450 has application in a Business Combination within the required time period. In the event broad range of such distribution, it is possible indications and we plan to continue to explore additional indications that the per share value of the residual assets remaining available satisfy our product assessment screens.

The FDA accepted our investigational new drug ("IND") application for distribution (including Trust Account assets) will be less than the Initial Public Offering price per Unit ABP-450 as a preventative treatment for migraine in the Initial Public Offering. October 2020, and we began treating patients in our Phase 2 clinical study beginning in March 2021. On October 19, 2023, we

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On December 12, 2022, announced topline results from our Phase 2 clinical trial of ABP-450 for the Company entered into preventive treatment of episodic migraine. The Phase 2 clinical trial for episodic migraine did not meet its primary endpoint, though it did show statistical significance on multiple secondary and exploratory endpoints, including the percentage of patients achieving a Business Combination Agreement (the "Business Combination Agreement") by reduction from baseline of at least 50% in monthly migraine days and among 75% in monthly migraine days during the Company, Priveterra Merger Sub, Inc., weeks 21 to 24 of the treatment period and improvements on certain patient and rating scales. We expect to announce an interim readout of topline data related to the chronic cohort of our Phase 2 migraine study in the second quarter of 2024, with full topline data to be released in the third quarterof 2024.

The FDA accepted our IND application for ABP-450 as a Delaware corporation ("Merger Sub"), treatment for cervical dystonia in October 2020, and AEON Biopharma, Inc., we began treating patients in our Phase 2 clinical study beginning in April 2021. Topline data from the Phase 2 study, released in September 2022, confirmed that ABP-450 met all primary endpoints and a Delaware corporation ("AEON"). The Business Combination Agreement provides, among number of other things, that key secondary endpoints, supporting the safety and efficacy of ABP-450 in reducing signs and symptoms associated with cervical dystonia. ABP-450 demonstrated adverse event rates similar to, or lower than, other botulinum toxin products for the treatment of cervical dystonia. ABP-450 also demonstrated potential for efficacy similar to, or better than, other botulinum toxin products for the treatment of cervical dystonia. We are in discussions with the FDA regarding the design of our Phase 3 study in cervical dystonia, which we expect to commence based on the terms and subject availability of capital resources.

In December 2020, we initiated a preclinical gastroparesis study with 42 primates receiving multiple injections of ABP-450 across four dose ranges. We completed this preclinical study in January 2022. Following the preclinical study, we submitted an IND to the conditions set forth therein, Merger Sub FDA and received a letter in May 2022 confirming that the IND-opening Phase 2a clinical study may proceed. We continue to evaluate various pathways to most efficiently advance this clinical development program.

ABP-450 has the same 900 kDa complex size as Botox. We believe physicians generally prefer the performance characteristics of the complete 900 kDa botulinum toxin complex for therapeutic uses and that this characteristic will

merge provide ABP-450, if approved, a competitive advantage over other non-Botox therapeutic botulinum toxins currently on the market or in development. ABP-450, if approved, will be the only therapeutic botulinum toxin with significantly similar physiochemical properties as Botox.

We license ABP-450 from Daewoong, a South Korean pharmaceutical manufacturer, and into AEON, with AEON surviving have exclusive development and distribution rights for therapeutic indications in the United States, Canada, the European Union, the United Kingdom, and certain other international territories. Daewoong licenses the same 900 kDa botulinum toxin to Evolus for cosmetic indications, which it markets and sells under the name Jeuveau in the United States and Nuceiva in Canada and the European Union.

We have never been profitable from operations and, as of December 31, 2023, we had an accumulated deficit of $473.6 million. We have never generated revenue from ABP-450. Losses from operations were $29.6 million, income from operations of $29.6 million and loss from operations of $48.4 million for the period from January 1, 2023 to July 21, 2023 (Predecessor) and July 22, 2023 to December 31, 2023 (Successor) and for the twelve months ended December 31, 2022, respectively. Consolidated net loss attributable to our common stockholders were $60.7 million, income of $24.0 million and loss of $52.6 million for the period from January 1, 2023 to July 21, 2023 (Predecessor) and July 22, 2023 to December 31, 2023 (Successor) and for the twelve months ended December 31, 2022, respectively. As of December 31, 2023, we had $5.2 million in cash. We have concluded that we do not have sufficient cash to fund our operations for 12 months from the date of our financial statements without additional financing, and as a wholly owned subsidiary result, there is substantial doubt about our ability to continue as a going concern. As of the Company (the "Merger"). Upon date of this Report, we expect to have sufficient cash to fund our operating plan through June 2024, including $15 million of committed financing related to the closing issuance of certain Convertible Notes with Daewoong. For more information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources*." Any further development of ABP-450 for any indication, including the completion of the Merger (the "Closing"), the Company Phase 2 open-label extension study in migraine, any Phase 3 trials for migraine, and any additional studies in cervical dystonia, will change its name require additional funding, which may not be available to "AEON Biopharma, Inc." The date us on which the Closing actually occurs is hereinafter referred reasonable terms, or at all.

We do not expect to as the "Closing Date."

Pursuant receive any revenue from ABP-450 or any future product candidates that we develop unless and until we obtain regulatory approval and commercialize ABP-450 or any future product candidates. We expect to the Business Combination Agreement, at the effective time of the Merger, each option, whether vested or unvested, exercisable for AEON equity that is outstanding immediately prior continue to the effective time of the Merger shall be assumed by the Company and continue in full force and effect on the same terms and conditions as are currently applicable to such options, subject to adjustments to exercise price and number of shares of Class A Common Stock issued upon exercise.

Under the Business Combination Agreement, the Company will acquire all of the outstanding equity interests of AEON (including equity interests issued upon conversion of the outstanding convertible notes of AEON) in exchange for shares of the Company's Class A common stock, par value $0.0001 per share (the "Class A Common Stock"), based on an implied AEON equity value of $165,000,000, to be paid to AEON stockholders at the effective time of the Merger, except that 809,000 shares of the Company's Class A Common Stock otherwise issuable as merger consideration shall be held back to satisfy the exercise of certain of AEON's convertible notes upon the maturity thereof.

The issuance of additional shares in connection with the Business Combination to the current owners of AEON or other investors:

- may significantly dilute the equity interest of Priveterra stockholders, which dilution would increase if the anti-dilution provisions in the Class B Common Stock resulted in the issuance of shares of Class A Common Stock on a greater than one-to-one basis upon conversion of the Class B Common Stock;
- may subordinate the rights of holders of Priveterra Common Stock if preferred stock is issued with rights senior to those afforded Priveterra Common Stock;
- could cause a change in control if a substantial number of shares of Priveterra Common Stock is issued, which may affect, among other things, our ability to use our net operating loss carry forwards, if any, and could result in the resignation or removal of our present officers and directors;

- may have the effect of delaying or preventing a change of control of us by diluting the stock ownership or voting rights of a person seeking to obtain control of us; and

- may adversely affect prevailing market prices for our Class A Common Stock.

Similarly, if we issue debt securities or otherwise incur significant debt expenses and increasing net operating losses for the foreseeable future as we seek regulatory approval, prepare for and, if approved, proceed to bank or other lenders or the owners commercialization of AEON, it could result in: ABP-450.

We utilize clinical research organizations ("CROs"), to carry out our clinical development and we do not yet have a sales organization. We expect to incur significant expenses related to building our commercialization infrastructure, including marketing,

- default and foreclosure on our assets if our operating revenues after the Business Combination are insufficient to repay our debt obligations;

- acceleration of our obligations to repay the indebtedness even if we make all principal and interest payments when due if we breach certain covenants that require the maintenance of certain financial ratios or reserves without a waiver or renegotiation of that covenant;

- our immediate payment of all principal and accrued interest, if any, if the debt is payable on demand;

- our inability to obtain necessary additional financing if the debt contains covenants restricting our ability to obtain such financing while the debt is outstanding;

- our inability to pay dividends on Priveterra Common Stock;

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- using a substantial portion of our cash flow to pay principal and interest on our debt, which will reduce the funds available for dividends on our common stock if declared, our ability to pay expenses, make capital expenditures and acquisitions, and fund other general corporate purposes;

- limitations on our flexibility in planning for and reacting to changes in our business and in the industry in which we operate;

- increased vulnerability to adverse changes in general economic, industry and competitive conditions and adverse changes in government regulation;

- limitations on our ability to borrow additional amounts for expenses, capital expenditures, acquisitions, debt service requirements, and execution of our strategy; and

- other purposes and other disadvantages compared to our competitors who have less debt.

sales and distribution functions, inventory build prior to commercial launch, training and deploying a specialty sales force and implementing a targeted marketing campaign.

Description of the Merger, Forward Purchase Agreements and Convertible Note Subscription

Merger

As indicated At the effective time of the Merger (the "Effective Time"), (i) each outstanding share of Old AEON common stock (on an as-converted basis after taking into effect the conversion of the outstanding warrants of Old AEON exercisable for shares of Old AEON preferred stock, the conversion of the shares of Old AEON preferred stock into Old AEON common stock in accordance with the governing documents of Old AEON as of the Effective Time, the conversion of the outstanding convertible notes of Old AEON into Old AEON common stock in accordance with the terms of such convertible notes and after giving effect to the issuance of Old AEON common stock in connection with the merger of ABP Sub, Inc. with and into Old AEON) issued and outstanding immediately prior to the Effective Time converted into the right to receive approximately 2.328 shares of our Class A common stock, par value $0.0001 per share ("common stock"). In addition, each share of Priveterra Class B common stock ("Founder Shares"), par value $0.0001 per share, issued and outstanding immediately prior to the Effective Time converted into one share of common stock (of which 3,450,000 Founder Shares are subject to certain vesting and forfeiture conditions).

Forward Purchase Agreements

In addition, Priveterra entered into separate Forward Purchase Agreements with each of ACM ARRT J LLC ("ACM"), and Polar Multi-Strategy Master Fund ("Polar"), on June 29, 2023, for an OTC Equity Prepaid Forward Transaction (each, a "Forward Purchase Agreement" and together, the "Forward Purchase Agreements"). The Forward Purchase Agreements provided that each of Polar and ACM would separately be paid directly an aggregate cash amount (the "Prepayment Amount"), which was equal to an aggregate of $66.7 million based on the product of (i) 6,275,000 shares of Priveterra Class A common stock (the "Additional Shares") and (ii) the redemption price per share of $10.63.

In satisfaction of the Prepayment Amount, on July 21, 2023, $66.7 million was obligated to be paid from the purchase of the Additional Shares by each of ACM and Polar pursuant to the terms of certain FPA Funding Amount PIPE Subscription Agreements between Priveterra and each of ACM and Polar.

On March 18, 2024, we entered into separate termination agreements with each of ACM and Polar terminating their respective Forward Purchase Agreements (each, an "FPA Termination Agreement" and together, the "FPA Termination Agreements"). The FPA Termination Agreement with ACM provides that (i) ACM will retain 3,100,000 previously issued Additional Shares held by ACM pursuant to its respective Forward Purchase Agreement and subscription agreement (the "ACM Retained Shares") and (ii) we will be subject to up to $1.5 million in liquidated damages if we fail to meet certain registration requirements for the ACM Retained Shares, subject to certain conditions set forth in ACM's respective FPA Termination Agreement. The Termination Agreement with Polar provides that (i) Polar will retain 3,175,000 previously issued Additional Shares held by Polar pursuant to its respective Forward Purchase Agreement and subscription agreement (the "Polar Retained Shares") and (ii) we will be subject to up to $1.5 million in liquidated damages if we fail to meet certain registration requirements for the Polar Retained Shares, subject to certain conditions set forth in Polar's respective FPA Termination Agreement. We did not have access to the Prepayment Amount at any time following the Closing and, pursuant to the FPA Termination Agreements, ACM and Polar will retain the Prepayment Amount in full. The potential aggregate liquidated damages of up to $3.0 million and the terminated access to the Prepayment Amount may adversely affect our liquidity and capital needs.

Convertible Note Subscription

On March 19, 2024, we entered into a subscription agreement with Daewoong (the "Subscription Agreement") relating to our sale and issuance of senior secured convertible notes (each, a "Convertible Note" and together, the "Convertible Notes") in the accompanying financial statements, as principal amount of December 31, 2022 up to $15.0 million, which are convertible into shares of common stock, subject to certain conditions and limitations set forth in each Convertible Note. Each Convertible Note will contain customary events of default, will accrue interest at an annual rate of 15.79% and will have a maturity date that is three years from the balance funding date, unless earlier repurchased, converted or redeemed in accordance with its terms prior to such date. We will use the net proceeds from each Convertible Note to support the late-stage clinical development of ABP-450 and for general working capital purposes. Pursuant to the terms of the Trust Account was approximately $279,384,429 (excluding $5,892,600 Subscription Agreement, on March

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Table of deferred underwriting commissions Contents

24, 2024, we issued and taxes payable on the income earned on the Trust Account). Further, we expect sold to incur significant costs Daewoong one Convertible Note in the pursuit principal amount of $5.0 million. The Subscription Agreement further provides that we will issue and sell to Daewoong a second Convertible Note in the Business Combination. We cannot assure you principal amount of $10.0 million no later than thirty (30) days following our compliance with certain conditions set forth in the Subscription Agreement, including our execution of an amendment to that our plans to raise capital or to complete the Business Combination will be successful. certain License and Supply Agreement, by and between us and Daewoong, dated December 20, 2019, as amended on July 29, 2022, January 8, 2023 and April 24, 2023 (the "License Agreement").

On March 19, 2024, we entered into a Fourth Amendment to the License Agreement (the "License Agreement Amendment") with Daewoong, which amends the License Agreement. Pursuant to the terms of the License Agreement Amendment, the

License Agreement will terminate if, over any six month period, (a) we cease to commercialize ABP-450 in certain territories specified in the License Agreement and (b) we cease to advance any clinical studies of ABP-450 in such territories. The License Agreement Amendment also provides that, in the event that the License Agreement is terminated for the foregoing reasons, Daewoong will have the right to purchase all Know-How (as defined in the License Agreement) related to ABP-450 for a price of $1.00 (the "Termination Purchase Right"). The Termination Purchase Right will terminate and expire upon Daewoong's sale of 50% of its common stock, including common stock held by its affiliates and common stock that would be issued upon an Automatic Conversion or Optional Conversion (as defined in the Convertible Notes).

As a result of becoming a public company, we will need to engage additional resources and/or hire additional staff and implement processes and procedures to address public company regulatory requirements and customary practices. We expect to incur additional annual expenses for, among other things, directors' and officers' liability insurance, director fees and additional internal and external accounting, legal and administrative resources and fees.

Components of Our Results of Operations

Revenue

We have generated no revenue from the sale of products and do not anticipate deriving any product revenue unless and until we receive regulatory approval for, and are able to successfully commercialize, ABP-450.

Operating Expenses

Selling, General and Administrative Expenses

Selling, general and administrative expenses ("SG&A") expenses consist primarily of compensation for personnel, including stock-based compensation, management, finance, legal, and regulatory functions. Other SG&A expenses include travel expenses, market research and analysis, conferences and trade shows, professional services fees, including legal, audit and tax fees, insurance costs, general corporate expenses, and allocated facilities-related expenses. We anticipate that our SG&A expenses will increase in the future to support our continued research and development ("R&D") activities. Additionally, we anticipate increased costs associated with being a public company, including expenses related to services associated with maintaining compliance with the requirements of the NYSE American and the SEC, insurance, and investor relations costs. We expect to incur increased costs associated with establishing sales, marketing, and commercialization functions in advance of potential future regulatory approvals and commercialization of our product candidates. If ABP-450 obtains United States regulatory approval for any indication, we expect that we would incur significantly increased expenses associated with building a sales and marketing team and funding commercial activities.

Research and Development Expenses

Our R&D expenses are primarily attributed to the development of ABP-450 for migraine, cervical dystonia and gastroparesis. Due to the stage of our development and our ability to use resources across all of our programs, most of our R&D costs are not recorded on a program-specific basis. We expect our R&D expenses to continue to increase as we continue our Phase 2 clinical studies for ABP-450 to treat migraine, commence a Phase 2 study of ABP-450 for gastroparesis, and as we develop and initiate a Phase 3 study of ABP-450 in cervical dystonia. R&D expenses associated with these studies will include third-party costs such as expenses incurred under agreements with CROs, the cost of consultants who assist with the development of ABP-450 on a program-specific basis, investigator grants, sponsored research, product costs in connection with acquiring ABP-450 from Daewoong for use in conducting preclinical and clinical studies, and other third-party expenses attributable to the development of our product candidates.

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R&D activities will be critical to achieving our business strategy. As our pipeline programs enter the later stages of clinical development, we will generally incur greater development costs than those programs incurred in the earlier stages of clinical

development, primarily due to the increased size and duration of later- stage clinical studies. We expect our R&D expenses to be significant over the next several years as we advance the clinical development of ABP-450 and prepare to seek regulatory approval.

As a result, we are unable to determine the duration and completion costs of our programs or when and to what extent we will generate revenue from commercialization and sale of any of our product candidates. Our R&D activities may be subject to change from time to time as we evaluate our priorities and available resources.

Change in Fair Value of Contingent Consideration

The Company determined that the Contingent Consideration Shares would be classified as a liability on the Successor's consolidated balance sheets and remeasured at each reporting period with changes to fair value recorded to the Successor's consolidated statements of operations and comprehensive (loss) income.

Other (Loss) Income, Net

Other (loss) income, net primarily consists of gains and losses resulting from the remeasurement of the fair value of our convertible notes, forward purchase agreements, warrant liabilities, each described below, at each balance sheet date.

Change in fair value of convertible notes – The Company elected the fair value option to account for its convertible notes, with the subsequent changes in fair value recorded in the Predecessor's consolidated statement of operations and comprehensive (loss) income.

Change in fair value of forward purchase agreement and make whole derivative – The Company has determined that each of its forward purchase agreements entered in connection with the Merger is a freestanding hybrid financial instrument comprising a subscription receivable and embedded features, which have been bifurcated and accounted for separately as derivative instruments. The Company has recorded the derivatives as liabilities and measured them at fair value with the initial value of the derivative recorded as a loss "on the line" in the Successor's opening accumulated deficit. On the line describes those transactions triggered by the consummation of the Merger that are not recognized in the consolidated financial statements of the Predecessor or the Successor as they are not directly attributable to either period but instead were contingent on the Merger. Subsequent changes in the bifurcated derivatives are recorded in the Successor's consolidated statements of operations and comprehensive (loss) income.

Change in fair value of warrants – Changes in the estimated fair value of our warrant liabilities are recognized as a non-cash gain or loss on the Successor's consolidated statements of operations and comprehensive (loss) income.

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Results of Operations

The following table summarizes our results of operations for the periods indicated (in thousands):

	Year Ended December 31,		
	2023		2022
	Predecessor January 1 to July 21	Successor July 22 to December 31	Predecessor January 1 to December 31
Operating expenses:			
Selling, general and administrative	$ 9,841	$ 9,949	$ 13,675
Research and development	19,803	13,243	34,754

Change in fair value of contingent consideration	—	(52,750)	—
Total operating costs and expenses	29,644	(29,558)	48,429
(Loss) income from operations	(29,644)	29,558	(48,429)
Other (loss) income:			
Change in fair value of convertible notes	(19,359)	—	(4,416)
Change in fair value of warrants	—	2,318	—
Change in fair value of embedded forward purchase agreements and derivative liabilities	(11,789)	(8,366)	—
Other income, net	114	536	289
Total other (loss) income, net	(31,034)	(5,512)	(4,127)
(Loss) income before taxes	(60,678)	24,046	(52,556)
Income taxes	—	—	—
(Loss) income and comprehensive (loss) income	$ (60,678)	$ 24,046	$ (52,556)
Basic and diluted net (loss) income per share	$ (0.44)	$ 0.65	$ (0.38)
Weighted average shares of common stock outstanding used to compute basic and diluted net (loss) income per share	138,848,177	37,159,600	138,848,177

We have neither engaged in any operations nor generated any revenuesComparison of the periods from January 1, 2023 to date. Our only activities from November 12, 2020 (inception) through July 21, 2023 (Predecessor) and July 22, 2023 to December 31, 2023 (Successor), to the twelve months ended December 31, 2022 (Predecessor)

Operating Expenses

Selling, General and Administrative (SG&A) Expenses

SG&A expenses were organizational activities, those necessary to prepare $9.8 million and $9.9 million for the initial public offering (defined below) period from January 1, 2023 to July 21, 2023 (Predecessor) and July 22, 2023 to December 31, 2023 (Successor), respectively, an increase of $6.1 million, or 45%, compared to $13.7 million during the twelve months ended December 31, 2022 (Predecessor). The increase in SG&A expenses was primarily attributable to an increase of $5.0 million in legal expenses and subsequent professional fees related to the initial public offering, identifying a target company for a business combination. We do not expect Merger and $1.1 million of stock-based compensation expense, of which $0.9 million is related to generate any operating revenues until after the completion repricing of our business combination. We generate non-operating income in the form of interest income on marketable securities held in the trust account. We incur expenses as a result of being a public company (for legal, financial reporting, accounting and auditing compliance), as well as for due diligence expenses stock options in connection with identifying AEON as the Merger.

Research and Development (R&D) Expenses

R&D expenses were $19.8 million and $13.2 million for the period from January 1, 2023 to July 21, 2023 (Predecessor) and July 22, 2023 to December 31, 2023 (Successor), respectively, a target company for our initial business combination.

For decrease of $1.7 million, or 5%, compared to $34.8 million during the year twelve months ended December 31, 2022, we had net income (Predecessor). The decrease was primarily attributable to $2.7 million decrease in R&D expenses due to wind down of $9,980,174, Phase 2 clinical trials related to cervical dystonia in 2023, offset by increases of $0.6 million related to payroll and recruiting in the R&D department and $0.2 million related to stock-based compensation expense, of which $0.1 million is driven by an unrealized gain of $6,715,041 on our warrants, reduction of underwriting fees of $3,767,400, and $3,706,667 in interest income from investments held in our Trust Account. Partially offsetting our income is operating costs and of $3,325,605 and provision for income tax of $883,329.

For the year ended December 31, 2021, we had net income of $8,200,831, which is driven by an unrealized gain of $10,712,133 on our warrants and $79,687 in interest income from investments held in our Trust Account. Partially offsetting our income is $1,935,943 in formation and operating costs and warrant issue costs of $655,046.

Liquidity and Capital Resources

As of December 31, 2022, we had $67,909 in our operating bank account and working capital deficit of $2,874,594 (excluding taxes payable which is funded by earnings from the Trust Account).

Prior related to the completion repricing of stock options in connection with the Initial Public Offering, our liquidity needs have been satisfied through a capital contribution from the Sponsor of $25,000 for the founder shares and loans under an unsecured promissory note from the Sponsor of $73,295. On February 15, 2021, we issued an unsecured convertible promissory note to our Sponsor, pursuant to which we may borrow up to $1,500,000 from our sponsor for ongoing expenses reasonably related to our business and the consummation of an initial business combination. All unpaid principal under the convertible note will be due and payable in full on the earlier of (i) August 11, 2023 and (ii) the effective date of our initial business combination. Our Sponsor will have the option, at any time on or prior to such maturity date, to convert any amounts outstanding under the convertible note into warrants to purchase shares of our Class A Common Stock, par value $0.0001 per share, at a conversion price of $1.50 per warrant, with each warrant entitling the holder to purchase one share of our Class A Common Stock at a price of $11.50 per share, subject to the same adjustments applicable to the private placement warrants sold concurrently with our initial public offering. In June 2021 we had $100,000 of Working Capital Loans outstanding which were converted into 66,667 Working Capital Warrants. As of December 31, 2022 and 2021, there were no borrowings under the Working Capital Loans. Merger.

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Change in Fair Value of Contingent Consideration

The Company recognized a gain of $52.8 million related to the change in the fair value of the contingent consideration liability for the period from July 22, 2023 to December 31, 2023 (Successor). See Note 6 Fair Value Measurements to the consolidated financial statements for further discussion. The gain of $52.8 million is primarily due to decrease in stock price used in the initial valuation of $10.84 to $7.20 at December 31, 2023.

Other Income (Loss), Net

Other income (loss), net was loss of $31.0 million and $5.5 million for the period from January 1, 2023 to July 21, 2023 (Predecessor) and July 22, 2023 to December 31, 2023 (Successor), respectively, an increase in net other loss of $32.4 million, compared to loss of $4.1 million during the twelve months ended December 31, 2022 (Predecessor). The change is due to loss on fair value of embedded forward purchase agreements and derivative liabilities of $8.4 million (Successor), loss of $19.4 million related to the change in value of convertible notes (Predecessor), income of $2.3 million for change in fair value of warrants (Successor), $11.8 million loss related to the change in fair value of embedded forward purchase agreements and derivative liabilities (Predecessor) compared to the loss during the twelve months ended December 31, 2022 (Predecessor) primarily related to a $4.4 million increase in fair value of convertible notes.

Liquidity and Capital Resources

Our primary sources of capital have been debt financing (Predecessor) and equity financing (Successor). We have approximately $68,000 in cash and approximately $3,900,000 in current liabilities as of December 31, 2022 experienced recurring losses from operations and have a net capital deficiency and negative cash flows from operations since our inception. As of December 31, 2023 (Successor), we had reported cash of $5.2 million and an accumulated deficit of $473.6 million.

On July 21, 2023, the Company closed the Merger. The funding available to the Company at the Closing included approximately $30 million of committed financing from existing and new AEON investors, as well as the cash remaining in Priveterra's trust account after redemptions. The committed financings available immediately at the Closing provided the capital necessary to consummate the Merger and provided sufficient proceeds to fund the Company through the announcement of topline data from the Company's Phase 2 study with ABP-450 for the preventive treatment of episodic migraine, which occurred in October 2023.

Prior to the Merger, Priveterra had entered into separate Forward Purchase Agreements with each of ACM and Polar. The Forward Purchase Agreements provided that each of Polar and ACM would separately be paid directly the Prepayment Amount, which was equal to an aggregate of $66.7 million based on the product of (i) 6,275,000 Additional Shares and (ii) the redemption price per share of $10.63. In satisfaction of the Prepayment Amount, on July 21, 2023, $66.7 million was obligated to be paid from the purchase of the Additional Shares by each of ACM and Polar pursuant to the terms of certain FPA Funding Amount PIPE Subscription Agreements between Priveterra and each of ACM and Polar.

On March 18, 2024, we entered into separate FPA Termination Agreements with each of ACM and Polar terminating their respective Forward Purchase Agreements. The FPA Termination Agreement with ACM provides that (i) ACM will retain 3,100,000 previously issued Additional Shares held by ACM pursuant to its respective Forward Purchase Agreement and subscription agreement and (ii) we will be subject to up to $1.5 million in liquidated damages if we fail to meet certain registration requirements for the ACM Retained Shares, subject to certain conditions set forth in ACM's respective FPA Termination Agreement. The Termination Agreement with Polar provides that (i) Polar will retain 3,175,000 previously issued Additional Shares held by Polar pursuant to its respective Forward Purchase Agreement and subscription agreement and (ii) we will be subject to up to $1.5 million in liquidated damages if we fail to meet certain registration requirements for the Polar Retained Shares, subject to certain conditions set forth in Polar's respective FPA Termination Agreement. We did not have access to the Prepayment Amount at any time following the Closing and, pursuant to the FPA Termination Agreements, ACM and Polar will retain the Prepayment Amount in full. The potential aggregate liquidated damages of up to $3.0 million and the terminated access to the Prepayment Amount may adversely affect our liquidity and capital needs.

On March 19, 2024, we entered into the Subscription Agreement with Daewoong relating to our sale and issuance of Convertible Notes in the principal amount of up to $15.0 million, which are convertible into shares of common stock, subject to certain conditions and limitations set forth in each Convertible Note. Each Convertible Note will contain customary events of default, will accrue interest at an annual rate of 15.79% and will have a maturity date that is three years from the funding date, unless earlier repurchased,

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converted or redeemed in accordance with its terms prior to such date. We will use the net proceeds from each Convertible Note to support the late-stage clinical development of ABP-450 and for general working capital purposes. Pursuant to the terms of the Subscription Agreement, on March 24, 2024, we issued and sold to Daewoong one Convertible Note in the principal amount of $5.0 million. The Subscription Agreement further provides that we will issue and sell to Daewoong a second Convertible Note in the principal amount of $10.0 million no later than thirty (30) days following our compliance with certain conditions set forth in the Subscription Agreement, including our execution of an amendment to the License Agreement with Daewoong.

On March 19, 2024, we entered into the License Agreement Amendment with Daewoong, which amends the License Agreement. Pursuant to the terms of the License Agreement Amendment, the License Agreement will terminate if, over any six month period, (a) we cease to commercialize ABP-450 in certain territories specified in the License Agreement and (b) we cease to advance any clinical studies of ABP-450 in such territories. The License Agreement Amendment also provides that, in the event that the License Agreement is terminated for the foregoing reasons, Daewoong will have the right to purchase all Know-How (as defined in the License Agreement) related to ABP-450 for a price of $1.00. The Termination Purchase Right will terminate and expire upon Daewoong's sale of 50% of its common stock, including common stock held by its affiliates and common stock that would be issued upon an Automatic Conversion or Optional Conversion (as defined in the Convertible Notes).

As of the date of this Report, we expect to have sufficient cash to fund our operating plan through June 2024, including $15 million of committed financing related to the issuance of certain Convertible Notes with Daewoong. For more information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources*." We are actively attempting to secure additional capital to fund our operations. However, we cannot assure you that we will be able to raise additional capital on commercially reasonable terms or at all. Any further development of ABP- 450 for any indication,

including the completion of the Phase 2 open-label extension study in migraine, any Phase 3 trials for migraine, and any additional studies in cervical dystonia, will require additional funding, which may not be available to us on reasonable terms, or at all.

We have incurred operating losses and expects negative cash flows from operating activities since inception and expect to continue to incur significant operating losses for the foreseeable future and may never become profitable. We expect to continue to incur substantial costs in order to conduct R&D activities necessary to develop and commercialize our product candidates. Until such time, if ever, as we can generate substantial product revenue from sales of ABP-450, we will need additional capital to undertake these activities and commercialization efforts, and, therefore, we intend to raise such capital through the issuance of additional equity, borrowings, and potentially strategic alliances with other companies. However, if such financing is not available at adequate levels or on acceptable terms, we could be required to reduce the scope of or eliminate some of our development programs or commercialization efforts, out-license intellectual property rights to our product candidates or sell unsecured assets, or a combination of the above, any of which may have a material adverse effect on our business, results of operations, financial condition and/or our ability to fund our scheduled obligations on a timely basis or at all. Our ability to continue as a going concern is dependent upon our ability to successfully accomplish these plans and secure sources of financing and ultimately attain profitable operations.

Our primary use of cash is to fund operating expenses, which consist of R&D expenditures, including clinical trials, as well as SG&A expenditures. Cash used to fund operating expenses is impacted by the timing of when we pay or prepay these expenses.

We may also seek to raise additional capital through the sale of public or private equity or convertible debt securities. If we incur additional debt, the debt holders would have rights senior to holders of common stock to make claims on our assets, and the terms of any debt could restrict our operations, including our ability to pay dividends to holders of our common stock. If we undertake discretionary financing by issuing equity securities or convertible debt securities, our stockholders may experience substantial dilution. We may sell common stock, convertible securities or other equity securities in one or more transactions at a price per share that is less than the price per share paid by current public stockholders. If we sell common stock, convertible securities, or other equity securities in more than one transaction, stockholders may be further diluted by subsequent sales. Additionally, future equity financings may result in new investors receiving rights superior to our existing stockholders. Because our decision to issue securities in the future will depend on numerous considerations, including factors beyond our control, we cannot predict or estimate the amount, timing, or nature of any future issuances of debt or equity securities. As a result, our stockholders bear the risk of future issuances of debt or equity securities reducing the value of our common stock and diluting their interests.

We may receive additional capital from the cash exercise of the Warrants. However, the exercise price of our Warrants and the Private Placement Warrants is $11.50 per warrant and the last reported sales price of our common stock on March 26, 2024 was $11.41. The likelihood that holders of Warrants will exercise their Warrants or Private Placement Warrants, and therefore the

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likelihood of any amount of cash proceeds that we may receive, is dependent upon the trading price of our Common Stock after effectiveness of our registration statement on Form S-1 registering the issuance of common stock underlying the Warrants and Private Placement Warrants. If the trading price for our common stock does not maintain a price above $11.50 per share after the effectiveness of such registration statement on Form S-1, we do not expect holders to exercise their Warrants for cash. Beginning the 61st business day after the closing of the Business Combination, holders of Warrants can exercise Warrants on a cashless basis at any time when such registration statement is not available. The warrants and Private Placement Warrants may be exercised on a cashless basis at any time and we will not receive any proceeds from such exercise, even if the Private Placement Warrants are in-the-money. We will have broad discretion over the use of any proceeds from the exercise of such securities. Any proceeds from the exercise of such securities would increase our liquidity, but we are not currently budgeting for any cash proceeds from the exercise of Warrants when planning for our operational funding needs.

To the extent that we raise additional capital through marketing and distribution arrangements or other collaborations, strategic alliances, or licensing arrangements with third parties, we may have to relinquish valuable rights to our product candidates, future revenue streams, research programs or product licenses on terms that may not be favorable to us. If these sources are insufficient to satisfy our liquidity requirements, we will seek to raise additional funds through future equity or debt financings. If we raise additional funds by issuing equity securities, our stockholders would experience dilution. Additional debt financing, if available, may involve covenants restricting our operations or our ability to incur additional significant costs in pursuit debt. There can be no assurance that our efforts to procure additional financing will be successful or that, if they are successful, the terms and conditions of such financing will be favorable to us or our stockholders. If we are unable to raise additional financing when needed, we may be required to delay, reduce, or terminate the development, commercialization and acquisition plans. Additionally, we have until August 11, 2023 to consummate marketing of our products and scale back our business and operations.

As a Business Combination. In connection with our assessment result of going concern considerations in accordance with FASB ASC Topic 205-40, "Presentation of Financial Statements– Going Concern," we have determined these conditions, management has concluded that the liquidity condition and mandatory liquidation, should a Business Combination not occur, and potential subsequent dissolution raises substantial doubt about our ability to continue as a going concern. We intend concern exists as conditions and events, considered in the aggregate, indicate that it is probable that we will be unable to complete a Business Combination before meet our obligations as they become due within one year after the mandatory liquidation date. No adjustments date that the financial statements included in this Report are issued. Our financial information throughout this Report and our financial statements included elsewhere in this Report have been made to prepared on a basis that assumes that we will continue as a going concern, which contemplates the carrying amounts realization of assets or and the satisfaction of liabilities should we be required to liquidate after August 11, 2023 (or such later date as may be approved by Priveterra stockholders and commitments in an amendment to the Current Charter).

Management continues to evaluate the impact normal course of the COVID-19 pandemic business. This financial information and has concluded that the specific impact is not readily determinable as of the date of the consolidated balance sheets. The our consolidated financial statements do not include any adjustments that might may result from the an unfavorable outcome of this uncertainty.

Going Concern

We have approximately $68,000 in cash and approximately $3,900,000 in current liabilities as of December 31, 2022 and have incurred and expects to incur additional significant costs in pursuit of financing and acquisition plans. Additionally, we have until August 11, 2023 to consummate a Business Combination. In connection with our assessment of going concern considerations in accordance with FASB ASC Topic 205-40, "Presentation of Financial Statements– Going Concern," we have determined that the liquidity condition and mandatory liquidation, should a Business Combination not occur, and potential subsequent dissolution raises substantial doubt about our Our ability to continue as a going concern. We intend concern is dependent upon our ability to complete successfully accomplish our business plans and secure sources of financing and ultimately attain profitable operations.

Net Cash Used in Operating Activities

Net cash used in operating activities for the period from January 1, 2023 to July 21, 2023 (Predecessor) and July 22, 2023 to December 31, 2023 (Successor) were $21.7 million and $26.1 million, respectively, consisting primarily of a Business Combination before the mandatory liquidation date. No adjustments have been made net loss of $60.7 million (Predecessor) and income of $24.0 million (Successor) and non-cash charges of $8.5 million, consisting primarily of $19.4 million related to the carrying amounts change in fair value of assets or the convertible notes (Predecessor), $(2.3) million related to change in fair value of warrants (Successor), $8.4 million related to change in fair value of derivatives (Successor), $(52.8) million related to change in fair value of contingent consideration (Successor) and a $7.0 million non-cash expense related to stock-based compensation for our executives and directors, consisting of $3.2 million (Predecessor) and $3.8 million (Successor); and a decrease in accounts payable of $4.6 million related to timing of payments to our vendors, offset by an increase in accrued expenses and other liabilities should we be required of $2.5 million primarily related to liquidate after August 11, 2023 (or such later date as may be approved by Priveterra stockholders increase in an amendment clinical trial accrual of $3.0 million.

Net cash used in operating activities for the twelve months ended December 31, 2022 was $35.6 million, consisting primarily of a net loss of $52.6 million and non-cash items of $10.7 million, consisting primarily of $4.4 million related to the Current Charter). change in the fair value of the convertible notes (Predecessor) and a $5.9 million non-cash expense related to stock-

based compensation for our executives and directors (Predecessor), and increase of $6.6 million in accounts payable related to timing of payments to our vendors.

Off-Balance Sheet Financing ArrangementsCash Flows from Investing Activities

As of December 31, 2022, we did not have any off-balance sheet arrangements as defined Net cash used in Item 303(a)(4)(ii) of Regulation S-K.

Inflation

We do not believe that inflation had a material impact on our business, revenues or operating results during investing activities for the period presented.

JOBS Act

The Jumpstart Our Business Startups Act of 2012 (the "JOBS Act") contains provisions that, among other things, relax certain reporting requirements from January 1, 2023 to July 21, 2023 (Predecessor) and July 22, 2023 to December 31, 2023 (Successor) were zero for qualifying public companies. We qualify as an "emerging growth company" both periods, and under $0.3 million for the JOBS Act are allowed to comply with new or revised accounting pronouncements based on the effective date for private (not publicly traded) companies. We are electing to delay the adoption of new or revised accounting standards, and as a result, we may not comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. As a result, the consolidated financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates.

Additionally, we are in the process of evaluating the benefits of relying on the other reduced reporting requirements provided by the JOBS Act. Subject to certain conditions set forth in the JOBS Act, if, as an "emerging growth company," we choose to rely on such exemptions we may not be required to, among other things, (i) provide an auditor's attestation report on our system of internal controls over financial reporting pursuant to Section 404, (ii) provide all of the compensation disclosure that may be required of non-emerging growth public companies under the Dodd-Frank Wall Street Reform and Consumer Protection Act, (iii) comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement twelve months ended December 31, 2022 (Predecessor), related to the auditor's report providing additional information about the audit purchase of property and the consolidated financial statements (auditor discussion and analysis) and (iv) disclose certain executive compensation related items such as the correlation between executive compensation and performance and comparisons of the CEO's compensation to median employee compensation. These exemptions will apply for a period of five years following the completion of our Initial Public Offering or until we are no longer an "emerging growth company," whichever is earlier. equipment.

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Contractual Obligations Cash Flows from Financing Activities

Administrative Services Net cash provided by financing activities for the period from January 1, 2023 to July 21, 2023 (Predecessor) and July 22, 2023 to December 31, 2023 (Successor) were $14.0 million and $0, respectively, primarily related to the issuance of convertible notes.

Net cash provided by financing activities for the twelve months ended December 31, 2022 (Predecessor) was $40.5, related to the issuance of convertible notes.

Convertible Notes (Predecessor)

Our convertible notes prior to the Merger included the Strathspey Crown Note, the SCH Convertible Note, the 2019 Convertible Notes, 2021 A1 Convertible Notes and the Daewoong Convertible Note, each described in more detail below. At the Closing, the convertible notes were converted into shares of Successor common stock.

Strathspey Crown Note and SCH Convertible Note. **Since December 2013, we had been party to an intercompany credit line promissory note (the "Strathspey Crown Note"), pursuant to which SCH, our majority stockholder, had advanced borrowings to us to fund our capital requirements. Effective as of January 2, 2020, we and SCH cancelled all obligations under the Strathspey Crown Note and in exchange we issued a convertible promissory note to SCH (the "SCH Convertible Note", with a principal amount of $17.5 million. We accounted for the debt exchange as an extinguishment of the Strathspey Crown Note and recognized a loss on debt extinguishment of $11.8 million, representing the difference between the fair value of the SCH Convertible Note of $26.5 million, the fair value of which included the principal plus the value of the embedded features as described below at January 2, 2020 and total obligations outstanding under the Strathspey Crown Note of $15.8 million less the unamortized borrowing cost of $0.5 million. The SCH Convertible Note and the interest due thereupon was paid out in shares of Old AEON common stock immediately prior to the consummation of the Merger, which were then converted into shares of Successor common stock at the Closing.**

2019 Debt Financings**. In June 2019, we entered into a senior unsecured note purchase agreement (the "Original 2019 Note Purchase Agreement"), with Dental Innovations BVBA ("Dental Innovations"), pursuant to which we issued Dental Innovations a promissory note (the "Original 2019 Note"), with a principal amount of $5.0 million. Pursuant to the terms of the Original 2019 Note, we were required to repay a total of $8.75 million, representing all principal and interest owed, upon the earliest to occur of (i) June 19, 2022, (ii) Dental Innovations' demand for repayment following our completion of an initial public offering and (iii) our election to repay the Original 2019 Note in full.**

Under the Original 2019 Note Purchase Agreement, Dental Innovations committed to purchase from us an additional promissory note with a principal amount of $5.0 million, subject to our issuing and selling an additional promissory note with a principal amount of $5.0 million to a lender not affiliated with Dental Innovations. Any such additional promissory notes were to have the same payment terms as the Original 2019 Note.

Commencing In December 2019, we entered into an amendment to the Original 2019 Note Purchase Agreement that provided for the exchange of the Original 2019 Note for a convertible promissory note with a principal amount of $5.0 million. In addition, Dental Innovations was no longer committed to purchase from us an additional promissory note with a principal amount of $5.0 million subject to us issuing and selling an additional promissory note with a principal amount of $5.0 million to a lender not affiliated with Dental Innovations. In December 2019, we issued and sold five additional convertible promissory notes, each with a principal amount of $1.0 million, including one to SCH and one to a member of our Board. All six such convertible promissory notes are referred to as the 2019 Convertible Notes.

The 2019 Convertible Notes and the interest due thereupon was converted into in shares of Old AEON common stock immediately prior to the consummation of the Merger, which were then converted into shares of Successor common stock at the Closing.

A1 Convertible Notes. **In December 2021, we entered into an agreement with A1 (the "A1 Purchase Agreement"), pursuant to which we expected to issue subordinated convertible promissory notes to A1 with an aggregate principal amount of $25.0 million. On December 8 and 15, 2021, we issued two convertible notes (together, the "2021 A1 Convertible Notes"), each with a principal amount of $5.0 million and totaling $10.0 million, that each matures on the third anniversary of its issuance. The 2021 A1 Convertible Notes were unsecured and subordinated to our other convertible notes.**

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The 2021 A1 Convertible Notes bore interest daily at the lesser of 10% per annum or the maximum rate permissible by law. Interest was paid in-kind by adding the accrued amount thereof to the principal amount on a monthly basis on the last day of each calendar month for so long as any principal amount remained outstanding.

Subsequent to December 31, 2021, we issued five additional tranches of subordinated convertible promissory notes to A1 on February 18, 2022, March 9, 2022, April 14, 2022, June 3, 2022 and July 1, 2022 (collectively, the "2022 A1 Convertible Notes"), the first four with a principal amount of $3.0 million each and the fifth issued July 1, 2022, for a principal amount of $2.5 million and totaling $14.5 million. The terms of the 2022 A1 Convertible Notes are similar to those of the 2021 A1 Convertible Notes. As of December 31, 2022, the principal balance was $14.5 million, with an estimated fair value of $13.5 million.

Additionally, on March 30, 2022, we amended the 2021 A1 Convertible Notes and the convertible notes issued on February 18, 2022 and March 9, 2022 to remove the discount rate associated with the automatic conversion of any outstanding convertible notes into share of common stock in connection with an initial public offering.

On March 6, 2023, we entered into an agreement with A1 (the "Original A1 Note Subscription Agreement"), pursuant to which we issued subordinated convertible promissory notes to A1 with an aggregate principal amount of $6.0 million (the "March 2023 A1 Convertible Notes"), that matured upon the earlier of (x) the date of the consummation of the Merger and (y) December 29, 2023. The March 2023 A1 Convertible Notes bore interest at 15.79% based on simple interest daily, unless issued at least five days prior to maturity date. The March 2023 A1 Convertible Notes were unsecured and subordinated to the Company's other convertible notes. As of June 30, 2023, the principal amount outstanding was $6 million with an estimated fair value of $7.9 million.

In April 2023, the contingent warrants were amended to include the merger between AEON and Old AEON as a qualifying listing under the warrant agreement, which stated that the holders of the contingent warrants would exercise the warrants, and that the holders would receive 85% of the shares the holders would have been entitled to receive via the previous warrant agreement. The contingent warrants were cancelled at the same time the convertible notes were converted to shares of the Company's stock. The Company determined that the contingent warrants amendment modified the settlement provision in the 2019 Convertible Notes. The Company determined that the amendment should be accounted for as a debt extinguishment. Since the noteholders were both shareholders of Old AEON and Evolus and Alphaeon Credit, the debt extinguishment was accounted for as a capital transaction on the April 2023 modification date. As such, due to the warrant modification, the Predecessor recognized a $5.2 million reduction to the underlying fair value of the convertible notes and recorded a corresponding increase of $5.2 million to additional paid in capital during the period from January 1, 2023 to July 21, 2023 (Predecessor).

On May 2, 2023, we entered into an agreement with A1, pursuant to which we issued subordinated convertible promissory notes to A1 with an aggregate principal amount of $6.0 million ("May 2023 A1 Convertible Notes") that matured on the earlier of (x) the date of the consummation of the Merger and (y) December 29, 2023. The May 2023 A1 Convertible Notes bore interest at 15.79%, based on simple interest daily. The May 2023 A1 Convertible Notes were unsecured and subordinated to the Company's other convertible notes.

On June 23, 2023, A1 entered into an amendment to its Original A1 Note Subscription Agreement (the "Amended A1 Note Subscription Agreement"), to add the subscription of $20 million additional aggregate principal of subordinated convertible promissory notes. In connection therewith, on June 8, 2023, we and Priveterra entered into a Committed Financing Agreement with A1, or the Additional Committed Financing Agreement, pursuant to which A1 agreed to purchase, and Priveterra and we agreed to sell to A1, an additional $20 million aggregate principal of interim notes convertible into 2,857,143 shares of Priveterra Class A common stock, for a purchase price of $7.00 per share pursuant to the Additional Committed Financing Agreement.

On June 27, 2023, we entered into an agreement with A1, pursuant to which we issued subordinated convertible promissory notes to A1 with an aggregate principal amount of $2.0 million ("June 2023 A1 Convertible Notes") that matured on the earlier of (x) the date of the consummation of the Merger and (y) December 29, 2023. The June 2023 A1 Convertible Notes bore interest at 15.79%, based on simple interest daily. The June 2023 A1 Convertible Notes were unsecured and subordinated to the Company's other convertible notes.

The 2021 A1 Convertible Notes and 2022 A1 Convertible Notes and the interest due thereupon were repaid in shares of Old AEON common stock immediately prior to the consummation of the Merger, which were then converted into shares of Successor

common stock at the Closing. The March 2023 A1 Convertible Notes, the May 2023 A1 Convertible Notes and the convertible notes subscribed for under the Amended A1 Note Subscription Agreement and Additional Committed Financing Agreement were repaid in shares of Priveterra Class A common stock immediately prior to the consummation of the Merger and are not subject to any contractual lock-up.

***Daewoong Convertible Notes*. In August 2020, we entered into a Convertible Promissory Note Purchase Agreement with Daewoong (the "Daewoong Purchase Agreement"), pursuant to which we issued Daewoong two subordinated convertible promissory notes (the "2020 Daewoong Convertible Notes"), with an aggregate principal amount of $25.0 million. The 2020 Daewoong Convertible Notes have similar terms, of which one was issued on August 27, 2020 with a principal amount of $10.0 million and the other was issued on September 18, 2020 with a principal amount of $15.0 million. The 2020 Daewoong Convertible Notes were unsecured and subordinated to the 2019 Convertible Notes.**

The 2020 Daewoong Convertible Notes bore interest daily at 3% per annum with semiannual compounding. Interest was paid in-kind by adding the accrued amount thereof to the principal amount on a semi-annual basis on June 30th and December 31st of each calendar year for so long as any principal amount remained outstanding (such paid in-kind interest, in the aggregate at any time, the "PIK Principal"). The 2020 Daewoong Convertible Notes had a maturity date of September 18, 2025.

In May 2021, the Daewoong Purchase Agreement was amended to provide for the issuance of an additional subordinated convertible promissory note by us to Daewoong at an initial principal amount of $5.0 million. The subordinated convertible promissory note was issued with terms similar to the two subordinated convertible promissory notes issued in 2020 and matures on May 12, 2026 (together with the 2020 Daewoong Convertible Notes, the "Daewoong Convertible Notes").

On July 29, 2022, we entered into a Convertible Promissory Note Purchase Agreement between us and Daewoong (the "2022 Daewoong Note Purchase Agreement"), for total available financing of $30 million. The note purchased under the 2022 Daewoong Note Purchase Agreement (the "2022 Daewoong Note"), had a stated interest rate of 15.79% per annum. The 2022 Daewoong Note had a maturity date of December 29, 2023.

On June 27, 2023, we entered into an agreement with Daewoong, (the "Daewoong Note Subscription Agreement"), pursuant to which we issued subordinated convertible promissory notes to Daewoong with an aggregate principal amount of $5.0 million (the "2023 Daewoong Convertible Notes"), that matured upon the date of the consummation of the Merger. The 2023 Daewoong Convertible Notes were unsecured and subordinated to the Company's other convertible notes.

The Daewoong Convertible Notes and the 2022 Daewoong Note and the interest due thereupon were repaid in shares of Old AEON common stock immediately prior to the consummation of the Merger, which were then converted into shares of Successor common stock at the Closing. The 2023 Daewoong Convertible Notes were repaid in shares of Priveterra Class A common stock immediately prior to the consummation of the Merger and are not subject to any contractual lock-up, which were then converted into shares of Successor common stock at the Closing.

As of December 31, 2022, the principal amount outstanding (excluding the PIK Principal) under the Daewoong Convertible Notes and the 2022 Daewoong Note was $60.0 million, with an estimated fair value of $67.3 million.

Committed Financings and Forward Purchase Agreements in Connection with the Merger

Committed Financing

In connection with the Merger, on January 6, 2023, Priveterra and Old AEON entered into separate subscription agreements for convertible notes with each of Alphaeon 1 LLC ("A1") and Daewoong Pharmaceuticals Co., Ltd. ("Daewoong") (collectively, the "Original Committed Financing Agreements"), pursuant to which A1 and Daewoong agreed to purchase, and Priveterra and Old AEON agreed to sell to each of them, up to $15 million and $5 million, respectively, aggregate of principal of interim convertible notes. Further, on June 8, 2023, Old AEON and Priveterra entered into a committed financing agreement with A1 (the "Additional Committed Financing Agreement"), pursuant to which A1 agreed to purchase, and Priveterra and Old AEON agreed to sell to A1, up to an additional $20 million aggregate principal of interim convertible notes. Pursuant to such agreement, the

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under a fair value option election, with changes in fair value reported in earnings of the Predecessor (Old AEON). Conversion of the notes was contingent and automatically convertible on the Merger, and 2,226,182 shares of Priveterra Class A common stock were issued on the Closing Date in settlement of their conversion. The proceeds from the interim convertible notes were used to fund Old AEON's operations through the consummation of the Merger. Additionally, approximately $25 million was received on the Closing Date in exchange for an aggregate of 3,571,429 shares of Priveterra Class A common stock at $7.00 per share that were issued under a committed financing agreement between Priveterra, Old AEON, and each of two investors, A1 and Daewoong.

Forward Purchase Agreements (Successor)

On June 29, 2023, Priveterra and Old AEON entered into the Forward Purchase Agreements with each of (i) ACM and (ii) Polar (each of ACM and Polar, individually, a "Seller", and together, the "Sellers") for OTC Equity Prepaid Forward Transactions. For purposes of each Forward Purchase Agreement, Priveterra is referred to as the "Company" prior to the consummation of the Merger, while AEON is referred to as the "Company" after the consummation of the Merger. Any reference herein to the "Forward Purchase Agreement" are to be treated as a reference to each Seller's separate agreement and should be construed accordingly and any action taken by a Seller should be construed as an action under its own respective agreement. As described above in ***Liquidity and Capital Resources***, the Forward Purchase Agreements were terminated on March 18, 2024.

Pursuant to the terms of the Forward Purchase Agreements, the Sellers intended, but were not obligated, to purchase up to 7,500,000 shares of Priveterra Class A common stock in the aggregate concurrently with the Closing pursuant to each Seller's respective FPA Funding Amount PIPE Subscription Agreement. No Seller would be required to purchase an amount of shares of Priveterra Class A common stock that would result in that Seller owning more than 9.9% of the total shares of Priveterra Class A common stock outstanding immediately after giving effect to such purchase, unless such Seller, at its sole discretion, waived such 9.9% ownership limitation. The Number of Shares subject to a Forward Purchase Agreement was subject to reduction following a termination of the Forward Purchase Agreements with respect to such shares as described under "Optional Early Termination" in the respective Forward Purchase Agreements.

Each Forward Purchase Agreement provided that a Seller would be paid directly the Prepayment Amount which was equal to an aggregate of $66.7 million based on the product of (i) 6,275,000 shares of Priveterra Class A common stock and (ii) the redemption price per share of $10.63.

On July 21, 2023, the Company was obligated to pay to each Seller separately the Prepayment Amount required under its respective Forward Purchase Agreement, except that since the Prepayment Amount payable to a Seller was to be paid from the purchase of the Additional Shares by such Seller pursuant to the terms of its respective FPA Funding Amount PIPE Subscription Agreement, such amount was netted against such proceeds, with such Seller being able to reduce the purchase price for the Additional Shares by the Prepayment Amount. For the avoidance of doubt, any Additional Shares purchased by a Seller were to be included in the Number of Shares for its respective Forward Purchase Agreement for all purposes, including for determining the Prepayment Amount. Therefore, the aggregate Prepayment Amount of $66.7 million was netted against the proceeds paid from the purchase of the Additional Shares in the aggregate by the Sellers pursuant to the FPA Funding Amount PIPE Subscription Agreements. We did not have access to the Prepayment Amount immediately following the Closing and, pursuant to the FPA Termination Agreements, the Sellers will retain the Prepayment Amount in full, which may adversely affect our liquidity and capital needs. At Closing, the Prepayment Amount of $66.7 million was recorded as Subscription Receivables on the Successor's consolidated balance sheets at present value of $60.7 million, with the $6.0 million being recorded as a loss "on the line" in the Successor's opening accumulated deficit (see Note 3 Forward Merger).

Prior to the termination of the Forward Purchase Agreements as described above in *Liquidity and Capital Resources*, the redemption price per share in the Forward Purchase Agreements was subject to a reset price (the "Reset Price"). The Reset Price was initially the redemption price per share of $10.63 per share. Beginning 90 days after the Closing, the Reset Price became subject to monthly resets, to be the lowest of (a) the then-current Reset Price, (b) $10.63 and (c) the 30-day volume-weighted average price of the Company's Common Stock immediately preceding such monthly reset. The monthly resets of the Reset Price were subject to a floor of $7.00 per share (the "Reset Price Floor"); however, if during the term of the Forward Purchase Agreements, the Company were to sell or issue any shares of Common Stock or securities convertible or exercisable for shares of Common Stock at an effective price of less than the Reset Price (a "Dilutive Offering"), then the Reset Price would have immediately reset to the effective price of such offering and the Reset Price Floor would be eliminated. Additionally, in the event of a Dilutive Offering, the maximum number

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of shares available under the Forward Purchase Agreements could have been increased if the Dilutive Offering occurred at a price below $10.00 per shares. The maximum number of shares would have been reset to equal 7,500,000 divided by a number equal to the offering price in the Dilutive Offering divided by $10.00.

We did not have access to the Prepayment Amount immediately following the Closing and, depending on the manner of settlement for the transactions covered by the Forward Purchase Agreements, may have had limited or no access to the Prepayment Amount during the terms of the Forward Purchase Agreements, particularly if the Company's Common Stock continues to trade below the prevailing Reset Price. Further, prior to the termination of the Forward Purchase Agreements in March 2024, the Company would have been required to make cash payments to the counterparties in respect of settlement amounts under the Forward Purchase Agreements, such as in the case of a failure to maintain the listing of the Company's Common Stock on a national securities exchange.

From time to time and on any date following the Merger (any such date, an "OET Date"), any Seller had the option, in its absolute discretion, to terminate its Forward Purchase Agreement in whole or in part by providing written notice to the Company (the "OET Notice"), no later than the next Payment Date following the OET Date (which would have specified the quantity by which the Number of Shares was to be reduced (such quantity, the "Terminated Shares")). The effect of an OET Notice would have been to reduce the Number of Shares by the number of Terminated Shares specified in such OET Notice with effect as of the related OET Date. As of each OET Date, the Company would have been entitled to an amount from the Seller, and the Seller would have been obligated to pay to the Company an amount, equal to the product of (x) the number of Terminated Shares and (y) the Reset Price in respect of such OET Date.

Pursuant to the terms of the Forward Purchase Agreements, the "Valuation Date" would have been the earlier to occur of (a) the date that our is two years after the Closing Date pursuant to the Business Combination Agreement; (b) the date specified by Seller in a written notice to be delivered to AEON at such Seller's discretion (which Valuation Date would not be earlier than the day such notice is effective) after the occurrence of any of (w) a VWAP Trigger Event, (x) a Delisting Event, or (y) a Registration Failure (defined terms in each of clauses (b)(w) through (b)(y), as described in further detail below) and (c) 90 days after delivery by AEON of a written notice in the event that for any 20 trading days during a 30 consecutive trading day-period that occurred at least 6 months after the Closing Date, the VWAP Price was less than the current Reset Price Floor of $7.00 per share; provided, however, that the Reset Price would have been reduced immediately to any lower price at which the Company would have sold, issued or granted any shares or securities are first listed convertible or exchangeable into shares (other than, among other things, grants or issuances under the Company's equity compensation plans, any securities issued in connection with the Merger or any securities issued in connection with the FPA Funding Amount PIPE Subscription Agreements), subject to certain exceptions, in which case the Reset Price Floor would be eliminated.

On the Cash Settlement Payment Date, which would have been the tenth local business day following the last day of the valuation period commencing on the Nasdaq Stock Market, we agreed Valuation Date, a Seller was obligated to pay the Sponsor Company a cash amount equal to (1) (A) a maximum of up to $25,000 7,500,000 shares of common stock (the "Number

of Shares") as of the Valuation Date less the number of Unregistered Shares, multiplied by (B) the volume-weighted daily VWAP Price over the Valuation Period less (2) if the Settlement Amount Adjustment was less than the cash amount to be paid, the Settlement Amount Adjustment. The Settlement Amount Adjustment was equal to (1) the Number of Shares as of the Valuation Date multiplied by (2) $2.00 per month for administrative share, and other services, of which $10,000 per month the Settlement Amount Adjustment will be paid automatically netted from the Settlement Amount.

Forward Purchase Agreement Subscription and Letter Agreements

On June 29, 2023, Priveterra entered into separate subscription agreements (the "FPA Funding Amount PIPE Subscription Agreements") with each of ACM and Polar (collectively, the "FPA Funding PIPE Investors"). Pursuant to the FPA Funding Amount PIPE Subscription Agreements, the FPA Funding PIPE Investors agreed to subscribe for and purchase, and Priveterra agreed to issue and sell to the FPA Funding PIPE Investors, on the Closing, an aggregate of up to 7,500,000 shares of Priveterra Class A common stock, less the Recycled Shares in connection with the Forward Purchase Agreements.

On June 29, 2023, Priveterra entered into separate subscription agreements (the "New Money PIPE Subscription Agreements") with each of ACM ASOF VIII Secondary-C LP ("ACM Investor"), the Polar Affiliate and certain other investors (collectively, the "New Money PIPE Investors"). Pursuant to the New Money PIPE Subscription Agreements, the New Money PIPE Investors subscribed for and purchased, and Priveterra issued and sold to the New Money PIPE Investors, on the Closing Date, an aggregate of 1,001,000 shares of Priveterra Class A Common Stock for a purchase price of $7.00 per share, for aggregate gross proceeds of $7.0

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million (the "New Money PIPE Investment"). Certain affiliates of ACM Investor purchased 236,236 shares from third parties through a broker in the open market prior to the Closing, for which all redemption rights were irrevocably waived. ACM Investor held such redeemed shares as freely tradeable shares prior to the Closing, and the proceeds to the Company provided by such redeemed shares were netted against the $3.5 million that ACM Investor was otherwise obligated to pay the Company under its New Money PIPE Subscription Agreement. Accordingly, Priveterra received $3.5 million from Polar and $0.9 million from ACM Investor (net of redeemed shares and fees) in connection with the New Money PIPE Subscription Agreements for the issuance of 1,001,000 shares.

On June 29, 2023, the Sponsor entered into separate letter agreements (each, "Letter Agreement" and collectively, the "Letter Agreements") with each of ACM Investor and Polar. Pursuant to the Letter Agreements, in the event that the average price per share at which shares of common stock purchased pursuant to the New Money PIPE Subscription Agreements that are transferred during the period ending on the earliest of (A) June 21, 2025, (B) the date on which the applicable Forward Purchase Agreement terminates and (C) the date on which all such shares are sold (such price, the "Transfer VWAP", and such period, the "Measurement Period") is less than $7.00 per share, then (i) ACM Investor and Polar shall be entitled to receive from Sponsor a number of additional shares of common stock that have been registered for office space resale by us under an effective resale registration statement pursuant to the Securities Act, under which ACM Investor and administrative services provided Polar may sell or transfer such shares of common stock in an amount that is equal to members the lesser of (A) a number of shares of common stock equal to the Make-Whole Amount divided by the VWAP (measured as of the management team date the additional shares are transferred to ACM Investor or Polar, as applicable) and up (B) an aggregate of 400,000 shares of common stock (the "Additional Founder Shares") and (ii) Sponsor shall promptly (but in any event within fifteen (15) business days) after the Measurement Date, transfer the Additional Founder Shares to $15,000 ACM Investor or Polar, as applicable. "Make-Whole Amount" means an amount equal to the product of (A) $7.00 minus the Transfer VWAP multiplied by (B) the number of Transferred PIPE Shares. "VWAP" means the per share volume weighted average price of the common stock in respect of the five consecutive trading days ending on the trading day immediately prior to the Measurement Date. "Measurement Date" means the last day of the Measurement Period.

Contingent Consideration

As part of the Merger, Founder Shares and certain Participating Stockholders shares (together, "Contingent Consideration Shares"), as further discussed below, contain certain contingent provisions.

On April 27, 2023, Priveterra and Old AEON amended the Business Combination Agreement. Concurrently with the amendment to the Business Combination Agreement, Priveterra amended the Sponsor Support Agreement to include restriction and forfeiture provisions related to the Founder Shares. In addition following the Closing, certain AEON stockholders will be used to compensate the Company's Chief Operating Officer and Chief Financial Officer and Secretary for issued a portion of their time spent on up to 16,000,000 additional shares of common stock

Pursuant to the Company's affairs. Upon completion terms of the Business Combination or Sponsor Support Agreement, as amended, effective immediately after the Company's liquidation, Closing, 50% of the Company will cease paying these monthly fees.

Registration Rights

Founder Shares (i.e., 3,450,000 Founder Shares) (the "Contingent Founder Shares") were unvested and subject to the restrictions and forfeiture provisions set forth in this Sponsor Support Agreement. The initial stockholders remaining 50% of the Founder Shares and holders 100% of the Private Placement Warrants will be entitled are not subject to registration rights pursuant to a registration rights agreement. such restrictions and forfeiture provisions. The initial stockholders Contingent Founder Shares shall vest, and holders shall become free of the Private Placement Warrants will be entitled provisions as follows:

- 1,000,000 of the Contingent Founder Shares (the "Migraine Phase 3 Contingent Founder Shares") shall vest upon the achievement of the conditions for the issuance of the Migraine Phase 3 Contingent Consideration Shares on or prior to make up the Migraine Phase 3 Outside Date;

- 1,000,000 of the Contingent Founder Shares (the "CD BLA Contingent Founder Shares") shall vest upon the achievement of the conditions for the issuance of the CD BLA Contingent Consideration Shares on or prior to three demands, excluding short form registration demands, the CD BLA Outside Date; and

- 1,450,000 of the Contingent Founder Shares (the "Episodic/Chronic Migraine Contingent Founder Shares") shall vest upon the earlier of (x) the achievement of the conditions for the issuance of the Episodic Migraine Contingent Consideration Shares on or before the Episodic Migraine Outside Date and (y) the achievement of the conditions for the issuance of the Chronic Migraine Contingent Consideration Shares on or before the Chronic Migraine Outside Date.

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The Sponsor has agreed not to vote the Contingent Founder Shares during any period of time that register such securities for sale under Contingent Founder Shares are subject to vesting.

Following the Securities Act. In Closing, in addition these holders will have "piggy-back" registration rights to include their securities in other registration statements filed by us. We will bear the expenses incurred consideration received at the Closing and as part of the overall consideration paid in connection with the filing Merger, certain holders of common stock in Old AEON (the "Participating AEON Stockholders") will be issued a portion of up to 16,000,000 additional shares of common stock, as follows:

- 1,000,000 shares of common stock, in the aggregate, if, on or before June 30, 2025 (as it may be extended, the "Migraine Phase 3 Outside Date"), the Company shall have commenced a Phase 3 clinical study for the treatment of chronic migraine or episodic migraine, which Phase 3 clinical study will have been deemed to commence upon the first subject having received a dose of any product candidate that is being researched, tested, developed or manufactured by or on behalf of the Company or any of its subsidiaries (any such

registration statements. product candidate, a “Company Product”) in connection with such Phase 3 clinical study (such 1,000,000 shares of common stock, the “Migraine Phase 3 Contingent Consideration Shares”); and

Underwriting Agreement ● 4,000,000 shares of common stock, in the aggregate, if, on or before November 30, 2026 (as it may be extended, the “CD BLA Outside Date”), the Company shall have received from the FDA acceptance for review of the BLA submitted by the Company for the treatment of cervical dystonia (such 4,000,000 shares of common stock, the “CD BLA Contingent Consideration Shares”);

We granted ● 4,000,000 shares of common stock, in the underwriters a 45-day option aggregate, if, on or before June 30, 2029 (as it may be extended, the “Episodic Migraine Outside Date”), the Company shall have received from the FDA acceptance for review of the BLA submitted by the Company for the treatment of episodic migraine (such 4,000,000 shares of common stock, the “Episodic Migraine Contingent Consideration Shares”); provided that in the event the satisfaction of the conditions for the issuance of the Episodic Migraine Contingent Consideration Shares occurs prior to purchase up the satisfaction of the conditions for the issuance of the Chronic Migraine Contingent Consideration Shares, then the number of Episodic Migraine Contingent Consideration Shares shall be increased to 3,600,000 additional Units 11,000,000 shares of common stock; and

● 7,000,000 shares of common stock, in the aggregate, if, on or before June 30, 2028 (as it may be extended, the “Chronic Migraine Outside Date”, and together with the Migraine Phase 3 Outside Date, the CD BLA Outside Date and the Episodic Migraine Outside Date, the “Outside Dates”), the Company shall have received from the FDA acceptance for review of the BLA submitted by AEON for the treatment of chronic migraine (such 7,000,000 shares of common stock, the “Chronic Migraine Contingent Consideration Shares”); provided that in the event that the number of Episodic Migraine Contingent Consideration Shares is increased to cover any over-allotments, at 11,000,000, then the initial public offering price less the underwriting discounts number of Chronic Migraine Contingent Consideration Shares shall be decreased to zero and commissions. The warrants that were no Contingent Consideration Shares will be issued in connection with the 3,600,000 over-allotment Units are identical satisfaction of the conditions to the public warrants and have no net cash settlement provisions.

We paid an underwriting discount of 2% issuance of the per Unit offering price, Chronic Migraine Contingent Consideration Shares.

● In the event that the Company licenses any of its products (except in connection with migraine or approximately $5,520,000 million cervical dystonia indications) to a third-party licensor for distribution in the aggregate at U.S. market (a “Qualifying License”) prior to the closing satisfaction of (x) the conditions for the issuance of the Initial Public Offering, Episodic Migraine Contingent Consideration Shares and agreed to pay an additional fee (the “Deferred Underwriting Fees”) of 3.5% (y) the conditions for the issuance of the gross offering proceeds, or approximately $9,660,000 in the aggregate Chronic Migraine Contingent Consideration Shares, then upon the Company’s completion entry of an Initial Business Combination. The Deferred Underwriting Fees will AEON into such Qualifying License, 2,000,000 shares of common stock shall become due and payable to Participating Stockholders and the underwriters number of Episodic Migraine Contingent Consideration Shares and (A) the number of Episodic Migraine Contingent Consideration Shares shall be reduced by 1,000,000 or by 2,000,000 and (B) the number of Chronic Migraine Contingent Consideration Shares shall be reduced by 1,000,000, but not below zero.

The Company accounts for the Contingent Consideration Shares as either equity-classified or liability-classified instruments based on an assessment of the Contingent Consideration Shares specific terms and applicable authoritative guidance in ASC 480, Distinguishing Liabilities from Equity (“ASC 480”) and ASC 815, Derivatives and Hedging (“ASC 815”). Based on the amounts held in the Trust Account solely in the event appropriate guidance, the Company completes its initial Business Combination. On November 16, 2022 determined that the Contingent Consideration Shares would be classified as a liability on the Successor’s consolidated balance sheets and remeasured at each reporting period with changes to fair value recorded to the Successor’s consolidated statements of operations and comprehensive (loss) income, while the founder shares were recorded to equity. As of December 31, 2023 (Successor), the contingent consideration liability was $104.4 million. The Company utilized the Probability-

Weighted Expected Return Method (PWERM) model to value the contingent consideration based on earnout milestones, probability of forfeiture and success scenarios. For the successor period July 22, 2023 to December 31, 2023, the Company and one of the underwriters executed a waiver letter confirming the underwriter's waiver of its deferred fee under the terms of the underwriting agreement. As a result, the Company recognized $52.8 million in income of $3,767,400 in relation related to the waiver change in fair value of contingent consideration on the deferred underwriter fee allocated to the underwriter in the accompanying Successor's consolidated financial statements. As statements of December 31, 2022 operations and 2021, the deferred underwriting fee payable is $5,892,600 and $9,660,000, respectively. On January 23, 2023, the Company and a second underwriter executed a waiver letter confirming the underwriter's waiver of its deferred fee under the terms of the underwriting agreement which represents and additional $4,636,800 of the deferred fee as waived. comprehensive (loss) income.

***Critical Accounting Policies* and Estimates**

Management's discussion and analysis of our financial condition and results of operations are based on our financial statements, which have been prepared in accordance with United States generally accepted accounting principles ("GAAP"). The preparation of consolidated these financial statements and related disclosures in conformity with accounting principles generally accepted in the United States of America requires management us to make estimates and assumptions that affect the reported amounts of assets and liabilities and related disclosure of contingent assets and liabilities, revenue and expenses at the date of the financial statements as well as the expenses incurred during the reporting period. Generally, we base our estimates on historical experience and on various other assumptions in accordance with United States GAAP that we believe to be reasonable under the circumstances. Actual results may differ materially from these estimates under different assumptions or conditions and such differences could be material to the financial position and results of operations. On an ongoing basis, we evaluate our judgments and estimates in light of changes in circumstances, facts and experience.

While our significant accounting policies are more fully described in the notes to our financial statements appearing elsewhere in this Report, we believe the following accounting policies to be most critical for fully understanding and evaluating our financial condition and results of operations, as these policies relate to the more significant areas involving management's judgments and estimates.

Fair Value Option

We elected to account for our convertible promissory notes, warrants, forward purchase agreement and contingent consideration, which met the required criteria, at fair value at inception. Subsequent changes in fair value are recorded as a component of other (loss) income in the consolidated statements of operations and comprehensive (loss) income or as a component of other comprehensive income (loss) for changes related to instrument-specific credit risk. As a result of electing the fair value option, direct costs and fees related to the liabilities are expensed as incurred.

Acquired in-Process Research and Development

The Company records costs incurred in obtaining technology licenses to research and development expense as acquired in-process research and development ("IPR&D") if the technology licensed has not reached technological feasibility and has no alternative future use. The Company used a Multi-Period Excess Earnings Method under the Income Approach for the valuation of IPR&D. The valuation is subject to inputs and assumptions that have variability, including, but not limited to, the discount rate used, the total addressable market for each potential drug, market penetration assumptions, and the estimated timing of commercialization of the drugs. Changes in these inputs and assumptions could have a significant impact on the fair value of the IPR&D. The IPR&D recorded at the Closing was written off and is included on the line in the consolidated financial statements (see Note 3 Forward Merger to the consolidated financial statements).

Contingent Consideration (Successor)

The Company accounts for its contingent consideration as either equity-classified or liability-classified instruments based on an assessment of the Contingent Consideration Shares specific terms and income applicable authoritative guidance in ASC 480, Distinguishing Liabilities from Equity ("ASC 480") and expenses during the periods reported. Actual results could materially differ from those estimates. We have not identified any critical accounting policies.

Derivative Financial Instruments

We evaluate our financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives in accordance with ASC Topic 815, "Derivatives Derivatives and Hedging" Hedging ("ASC 815"). Derivative instruments are recorded at fair value Based on the grant date appropriate guidance, the Company determined that the Contingent Consideration Shares would be classified as a liability on the Successor's consolidated balance sheets and re-valued remeasured at each reporting date, period with changes to fair value recorded to the Successor's consolidated statements of operations and comprehensive (loss) income. The Company utilized the Probability-Weighted Expected Return Method (PWERM) model to value the contingent consideration based on earnout milestones, probability of forfeiture and success scenarios. The valuation is subject to inputs and assumptions that have variability, including stock price and milestone probabilities. As stock price and/or probabilities of achieving the milestones increases or decreases, this may result in an increase or decrease, respectively, in the fair value reported in the statements of operations. Derivative assets and liabilities are classified in the balance sheets as current or non-current based on whether or not net-cash settlement or conversion of the instrument could be required within 12 months of the balance sheet date. We have determined the warrants are a derivative instrument.

liability.

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Forward Purchase Agreements (Successor)

Based on the applicable guidance in ASC 480, Distinguishing Liabilities from Equity ("ASC 480") and ASC 815, Derivatives and Hedging ("ASC 815"), the Company has determined it is a freestanding financial instrument and the prepaid forward contract is a derivative instrument. The Company has recorded the prepaid forward contract as a derivative liability and measured it at fair value with the initial value of the derivative recorded as a loss "on the line" in the Successor's opening accumulated deficit. Subsequent changes in the fair value of the forward purchase agreements are recorded in the Successor's consolidated statements of operations and comprehensive (loss) income. The Company utilized the Monte-Carlo valuation model to value the forward purchase agreements. The valuation is subject to inputs and assumptions that have variability, including stock price, risk-free rate and volatility, and changes in these inputs may result in increases or decreases in the liabilities.

Warrants (Successor)

The Company accounts for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance in FASB ASC 470-20, Debt with Conversion 480 and Other Options addresses ASC Topic 815, "Derivatives and Hedging" ("ASC 815"). The assessment considers whether the allocation warrants are freestanding financial instruments pursuant to ASC 480, meet the definition of proceeds from a liability pursuant to ASC 480, and whether the warrants meet all of the requirements for equity classification under ASC 815, including whether the warrants are indexed to the Company's own shares of common stock, among other conditions for equity classification. This assessment, which requires the use of professional judgment, is conducted at the time of warrant issuance and as of convertible debt into its each subsequent quarterly period end date while the warrants are outstanding. For issued or modified warrants that meet all of the criteria for equity classification, the warrants are required to be recorded as a component of additional paid-in capital at the time of issuance. For issued or modified warrants that do not meet all the criteria for equity classification, the warrants are required to be recorded at their initial fair value on the date of issuance, and debt components. We apply this guidance to allocate IPO proceeds from each balance sheet date thereafter until settlement. Changes in the Units between Class A Common Stock and warrants, using the residual method by allocating IPO proceeds first to estimated fair value of the warrants are recognized as a non-cash gain or loss on the consolidated statements of operations and then comprehensive (loss) income. The Company utilized the Class A Common Stock.

Investments Held publicly reported market price of the public warrants to value the warrant liability. The valuation is subject to inputs and assumptions that have variability, including market price of warrants, and changes in warrant price may result in an increase or decrease in the Trust Account liability.

Our portfolio*Share-based Compensation*

Immediately prior to the Closing, ABP merged with and into us so that we are the surviving corporation, which we refer to as the Subsidiary Merger. Pursuant to the Subsidiary Merger, all options and RSU awards of investments held in the Trust Account is comprised of U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act, with a maturity of 185 days or less, or investments in money market funds that invest in U.S. government securities, or a combination thereof. The investments held in the Trust Account are classified as trading securities. Trading securities are presented on the balance sheets at fair value at the end of each reporting period. Gains and losses resulting from the change in fair value of these securities is included in gain on marketable securities, dividends and interest held in Trust Account in the accompanying statements of operations. The estimated fair values of investments held in the Trust Account were determined using available market information.

Class A Common Stock Subject to Possible Redemption

We account for Class A Common Stock subject to possible redemption in accordance with the guidance in Accounting Standards Codification ("ASC") Topic 480 "Distinguishing Liabilities from Equity." Class A Common Stock subject to mandatory redemption (if any) is classified as a liability instrument and is measured at fair value. Conditionally redeemable Class A Common Stock (including Class A Common Stock that feature redemption rights ABP that are either within outstanding immediately prior to the control merger converted into substantially similar awards covering shares of our common stock, with an adjustment to the holder or subject to redemption upon the occurrence number of uncertain events not solely within the Company's control) is classified as temporary equity. At all other times, Class A Common Stock is classified as stockholders' equity. Our Class A Common Stock features certain redemption rights that is considered to be outside of the Company's control and shares subject to the occurrence award and, with respect to the options, the exercise price to reflect the economic value of uncertain future events. Accordingly, Class A Common Stock the new award within our capital structure. Additionally, we, in each case, determined the conversion ratio of the ABP awards by dividing the number of shares of our common stock outstanding on an as- converted basis by the number of shares of common stock of ABP outstanding, and then dividing by a number equal to the number of ABP options outstanding divided by the number of ABP awards outstanding plus the ABP shares held by the Company to account for the awards representing 21.63% of ABP's fully diluted shares outstanding. This resulted in a conversion ratio of 77.65 to 1 shares. As of the date of this Report, ABP had granted options to purchase a total of 45,272 ABP Sub options which converted into options to purchase 3,515,218 shares of our common stock, and a total of 15,059 RSU awards which converted into RSU awards covering 1,169,366 shares of our common stock, although 127,801 of such RSU awards accelerated and vested at the Closing, which resulted in 1,041,565 shares of our common stock subject to possible redemption is presented at redemption value as temporary equity, outside RSU awards remaining outstanding following the Closing. We do not anticipate any additional stock-based compensation expense to result from the ABP merger and the conversion of the stockholders' (deficit) equity section of the balance sheets. awards.

Net Income Per Share

We have two classes of common shares, which are referred to as Class A Common Stock and Class B Common Stock. Earnings and losses are shared pro rata between the two classes of stock. Private and public warrants to purchase 14,480,000 Class A Common Stock at $11.50 per share were issued on February 8, 2021. No warrants were exercised during the period ended December 31, 2022 and 2021. The calculation of diluted income per common share does not consider the effect of the warrants issued in In connection with the (i) IPO, (ii) Subsidiary Merger, AEON assumed the ABP 2019 Plan and the outstanding stock options and RSU awards under the ABP 2019 Plan converted into awards covering AEON common stock, and such options, all of which have "underwater" exercise prices, were repriced such that the per share exercise price is equal to the fair market value of over-allotment, and (iii) Private Placement since AEON's common stock on the exercise date of the warrants Subsidiary Merger.

JOBS Act; Smaller Reporting Company

We are contingent upon an emerging growth company, as defined in the occurrence of future events. As a result, diluted net income per common share is Securities Act, as modified by the same JOBS Act. For so long as basic net income per common share for the periods. Accretion associated with the redeemable Class A Common Stock is excluded we remain an emerging growth company, we are permitted and intend to rely on certain exemptions from earnings per share as the redemption value approximates fair value.

Recent Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which requires entities to measure all expected credit losses for financial assets held at the various public company reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. ASU 2016-13 also requires additional disclosures regarding significant estimates and judgments used in estimating credit losses, as well as the credit quality and underwriting standards of an entity's portfolio. The Company expects to adopt the provisions of this guidance on January 1, 2023. The adoption is requirements, including not expected being required to have a material impact on the Company's consolidated our internal control over financial statements.

Besides the above, the Company's management does not believe that any other recently issued, but not yet effective, accounting standards if currently adopted would have a material effect on the accompanying consolidated financial statements. reporting audited by our independent registered

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public accounting firm pursuant to Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a non-binding advisory vote on executive compensation and any golden parachute payments not previously approved. In particular, in this Report, we have provided only two years of audited financial statements and have not included all of the executive compensation- related information that would be required if we were not an emerging growth company. Section 102(b)(2) of the JOBS Act allows us to delay adoption of the new or revised accounting standards until those standards apply to non-public business entities. Accordingly, the information contained herein may be different than the information you receive from other public companies in which you hold stock.

We will remain an emerging growth company until the earliest of (i) the last day of the fiscal year following the fifth anniversary of Priveterra's initial public offering (December 31, 2026), (ii) the last day of the fiscal year in which we have total annual gross revenue of at least $1.235 billion, (iii) the last day of the fiscal year in which we are deemed to be a "large accelerated filer" as defined in Rule 12b-2 under the Exchange Act, which would occur if the market value of our common stock held by non-affiliates exceeded $700.0 million as of the last business day of the second fiscal quarter of such year, or (iv) the date on which we have issued more than $1.0 billion in non-convertible debt securities during the prior three-year period.

We are also a "smaller reporting company," as such term is defined in Rule 12b-2 of the Exchange Act, meaning that the market value of our common stock held by non-affiliates plus the proposed aggregate amount of gross proceeds to us as a result of this offering is less than $700 million and our annual revenue is less than $100 million during the most recently completed fiscal year. We will continue to be a smaller reporting company if either (i) the market value of our common stock held by non-affiliates is less than $250 million or (ii) our annual revenue is less than $100 million during the most recently completed fiscal year and the market value of our common stock held by non-affiliates is less than $700 million. If we are a smaller reporting company at the time we cease to be an emerging growth company, we may continue to rely on exemptions from certain disclosure requirements that are available to smaller reporting companies.

Specifically, as a smaller reporting company, we may choose to present only the two most recent fiscal years of audited financial statements in our Annual Report on Form 10-K and, similar to emerging growth companies, smaller reporting companies have reduced disclosure obligations regarding executive compensation. Investors could find our common stock less attractive to the extent we rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and the trading price may be more volatile.

Recently Issued and Adopted Accounting Pronouncements

We describe the recently issued accounting pronouncements that apply to us in Note 2 of the consolidated financial statements.

ITEMItem 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK Quantitative and Qualitative Disclosures About Market Risk

We are The Company is a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are is not required to provide the information otherwise required under this item.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA Item.

This information appears following Item 15 of this Report and is included herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

Disclosure controls are procedures that are designed with the objective of ensuring that information required to be disclosed in our reports filed under the Exchange Act is recorded, processed, summarized, and reported within the time period specified in the SEC's rules and forms. Disclosure controls are also designed with the objective of ensuring that such information is accumulated and communicated to our management, including the chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

As required by Rules 13a-15 and 15d-15 under the Exchange Act, our Chief Executive Officer and Chief Financial Officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2022. Based upon their evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were effective. Accordingly, management believes that the consolidated financial statements included in this Annual Report present fairly in all material respects our financial position, results of operations and cash flows for the period presented.

Management's Annual Report on Internal Control Over Financial Reporting

As required by SEC rules and regulations implementing Section 404 of the Sarbanes-Oxley Act, our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our consolidated financial statements for external reporting purposes in accordance with GAAP. Our internal control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of our company,

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with GAAP, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors, and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the consolidated financial statements.

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Because of its inherent limitations, internal control over financial reporting may not prevent or detect errors or misstatements in our consolidated financial statements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree or compliance with the policies or procedures may deteriorate. Management assessed the effectiveness of our internal control over financial reporting at

December 31, 2022. In making these assessments, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control — Integrated Framework (2013). Based on our assessments and those criteria, management determined that we maintain effective internal control over financial reporting as of December 31, 2022.

This Annual Report on Form 10-K does not include an attestation report of our independent registered public accounting firm due to our status as an emerging growth company under the JOBS Act.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES Item 8. Financial Statements and Supplementary Data

The firm of WithumSmith+Brown, PC, or Withum, acts as our independent registered public accounting firm. The following is a summary of fees paidIndex to Withum for services rendered.

Audit Fees. For the year ended December 31, 2022 and 2021, fees for our independent registered public accounting firm were approximately $78,988 and $116,415, respectively, for the services Withum performed in connection with our Initial Public Offering and the audit of our December 31, 2022 and 2021 consolidated financial statements included in this Annual Report on Form 10-K.

Tax Fees. For the year ended December 31, 2022 and 2021, fees for our independent registered public accounting firm were approximately $9,152 and $8,320, respectively, for the services Withum performed in connection with our tax filings.

All Other Fees. For the year ended December 31, 2022 and 2021, there were no fees billed for products and services provided by our independent registered public accounting firm other than those set forth above did not render any services to us other than those set forth above.

Pre-Approval Policy Consolidated Financial Statements

Our audit committee was formed in connection with the effectiveness of our registration statement for our initial public offering. As a result, the audit committee did not pre-approve all of the foregoing services, although any services rendered prior to the formation of our audit committee were approved by our board of directors. Since the formation of our audit committee, and on a going-forward basis, the audit committee has and will pre-approve all audit services and permitted non-audit services to be performed for us by our auditors, including the fees and terms thereof (subject to the *de minimis* exceptions for non-audit services described in the Exchange Act which are approved by the audit committee prior to the completion of the audit).

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Item 15. Exhibits, Financial Statement Schedules.

(a) The following documents are filed as part of this Form 10-K:

(1) Consolidated Financial Statements:

(2) Financial Statement Schedules:

None.

(3) Exhibits

We hereby file as part of this Report the exhibits listed in the attached Exhibit Index. Exhibits which are incorporated herein by reference can be inspected and copied at the public reference facilities maintained by the SEC, 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Copies of such material can also be obtained from the Public Reference Section of the SEC, 100 F Street, N.E., Washington, D.C. 20549, at prescribed rates or on the SEC website at www.sec.gov.

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PART III

Item 10. Directors, Executive Officers and Corporate Governance

Directors and Executive Officers

Our officers and directors are as follows:

Name	Age	Position
Robert Palmisano	78	Chairman and Chief Executive Officer
Vikram Malik	60	President and Director
Oleg Grodnensky	45	Chief Operating Officer, Chief Financial Officer and Secretary
Lance A. Berry	50	Director
James A. Lightman	65	Director
Julie B. Andrews	51	Director

Robert Palmisano, 78, has been our Chairman and Chief Executive Officer since December 2020. Mr. Palmisano has over 40 years of experience in various sectors within the healthcare industry and has been in leadership roles at several prominent global medical technology companies. Mr. Palmisano's first role as President and Chief Executive Officer in the medical technology sector began in 1997, at Summit Technology Inc. ("Summit Technology"), a manufacturer of ophthalmic laser systems, which he held until 2000 when the company was acquired by Alcon Laboratories Inc. From 2001 to 2003, Mr. Palmisano served as President and Chief Executive Officer of MacroChem Corporation, a specialty pharmaceutical company that develops and commercializes topical pharmaceutical products. In 2003, Mr. Palmisano became the President and Chief Executive Officer of IntraLase Corp. ("IntraLase"), an ophthalmic laser technology company with a post-money valuation of $74 million at the time. Mr. Palmisano guided IntraLase through its initial public offering in 2004, with a post-money valuation of approximately $340 million, until its 2007 acquisition by Advanced Medical Optics, Inc. ("Advanced Medical Optics") in a transaction valued at approximately $800 million in equity value. Following the sale of IntraLase, Mr. Palmisano became Chief Executive Officer of ev3 Inc. ("ev3") in 2008, a global endovascular device company, which had a market capitalization of approximately $790 million, and held the role until 2010 when the company was acquired by Covidien plc ("Covidien") in a transaction valued at approximately $2.6 billion in equity value. Following the sale of ev3, Mr. Palmisano became the President and Chief Executive Officer of Wright Medical Group N.V. ("Wright Medical") in 2011, which had a market capitalization of approximately $850 million, and held the role until 2020 when the company was acquired by Stryker Corporation ("Stryker") (NYSE:SYK) in a transaction valued at $4.7 billion in equity value. Mr. Palmisano previously served on the board of directors of Avedro, Inc., ev3 Inc., Osteotech, Inc., (NYSE: MDT) Advanced Medical Optics, Inc., Entellus Medical, Inc. and Bausch & Lomb. We believe Mr. Palmisano is qualified to serve on the Board due to his executive experience with several prominent global medical technology companies.

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Vikram Malik, 60, has been our President and a Director since December 2020. Mr. Malik has 34 years of experience in investment banking, private growth equity investments, business strategy and business development as well as corporate governance through several board positions. Mr. Malik began his investment banking career in 1987 at Swiss Bank Corporation in cross border mergers and acquisitions. After 26 years on Wall Street at various firms such as Chase Manhattan Bank, Dresdner Bank, Credit Suisse First Boston, Banc of America Securities and Bank of America Merrill Lynch, advising on M&A, equity and debt capital raising, leveraged buyouts and private placements, he retired from investment banking as Vice Chairman Investment Banking of Deutsche Bank Securities in 2013. During a very successful career on Wall Street, Mr. Malik led over $100 billion of M&A, equity and debt transactions, including some ground breaking deals such as the creation of the world's largest dialysis products and services company, Fresenius Medical Care AG & Co. KGaA ("Fresenius") (NYSE: FMS), in a complex, $4.2 billion, cross border, Leveraged Reverse Morris Trust transaction in 1996, which was awarded M&A Deal of The Year accolades by The Wall Street Journal. Mr. Malik's experience also includes the $4 billion acquisition of Renal Care Group, Inc. by Fresenius in 2005, the $4.5 billion acquisition of ophthalmology leader Bausch & Lomb by Warburg Pincus LLC in 2007, and the $2 billion acquisition of a vascular access products company, Arrow International, Inc., by Teleflex Incorporated in 2007, which began its transformation from an industrial conglomerate into a medical products company, today known as Teleflex Medical. Additionally, Mr. Malik participated in the $4.3 billion spin-off of medical products conglomerate CareFusion Corp. ("CareFusion") from Cardinal Health, Inc. (NYSE:CAH), in 2009. Mr. Malik also played lead roles in the IPOs and listings of many healthcare companies such as Fresenius, AMN Healthcare Services Inc. (NYSE:AMN), Cross Country Healthcare Inc. (Nasdaq: CCRN), IntraLase, Symmetry Medical Inc., NuVasive, Inc. (Nasdaq: NUVA), CareFusion, and Evolus, Inc. ("Evolus") (Nasdaq: EOLS). We believe Mr. Malik is qualified to serve on the Board due to his financial experience in the healthcare industry.

Oleg Grodnensky, 45, has been our Chief Operating Officer and Chief Financial Officer since December 2020 and Secretary of the Board since May 2021. Mr. Grodnensky has over 24 years of experience working in finance, general advisory, business development and operations within the life sciences industry, and brings extensive financial and operational expertise to our company. Mr. Grodnensky began his career on Wall Street in 1998 focusing on leading M&A transactions, restructurings, and equity and debt capital raising in life science sectors. Mr. Grodnensky and Mr. Malik have worked together at Banc of America Securities. Following more than ten years in healthcare investment banking and over 30 advisory roles totaling $17 billion in value, Mr. Grodnensky founded HV Capital, where he provided operational turnaround, strategic business development and buy-side advisory services to global healthcare and private equity firms, and acted as a principal investor in growth and venture

opportunities. In September 2020, Mr. Grodnensky founded Priveterra Capital to focus on strategic opportunity investments across life sciences and financial technology sectors. Mr. Grodnensky received his BS in Economics and Mathematics from Duke University in 1998.

***Lance A. Berry*, 50, has served on the Board since the Initial Public Offering. Mr. Berry has over fifteen years' experience in senior leadership roles for Wright Medical Group N.V. (Nasdaq: WMGI), a $1 billion global healthcare growth company. From January, 2019 to November, 2020, Mr. Berry was Executive Vice President, Chief Financial and Operations Officer, overseeing all aspects of corporate strategy, finance, tax, accounting, supply chain, manufacturing, digital strategy and execution, business development, information technology and investor relations on a global basis at Wright Medical Group. Working with Mr. Palmisano at Wright Medical, Mr. Berry oversaw many successful mergers and acquisitions, which included a variety of financing transactions. Notable transactions include the approximately $5.4 billion sale of Wright Medical to Stryker Corp. (NYSE: SYK) in 2019, Wright Medical's $3.4 billion in equity value acquisition of Tornier N.V. in 2014, and the approximately $300 million carve out and sale of Wright Medical's hip and knee business to Microport in 2014. Mr. Berry has also served on the board of directors of Vapotherm Inc. (NYSE: VAPO) since January 2020 and of Treace Medical Concepts, Inc. Prior to assuming his role as Executive Vice President, Chief Financial and Operations Officer, Mr. Berry was Senior Vice President and Chief Financial Officer of Wright Medical from 2009 to January 2019 and Corporate Controller from 2002 to 2009. Mr. Berry and Mr. Palmisano have worked with one another for nine years. Mr. Berry also worked with Mr. Malik during his time as CFO of Wright Medical. We believe Mr. Berry is qualified to serve on the Board due to his M&A experience in the healthcare industry.**

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***James A. Lightman*, 65, has served on the Board since the Initial Public Offering. Mr. Lightman has over two decades of corporate legal experience and brings a diverse skill set in managing complex legal and business matters for public and private healthcare and medical device companies. He has held chief legal officer positions with leading healthcare technology companies including Eyeonics, Inc., IntraLase Corp., Summit Autonomous Inc., Amicore, Inc. and Wright Medical Group, N.V. From 2008 to 2009, Mr. Lightman served as Vice President and Assistant General Counsel at Bausch & Lomb, where he most recently held the position of Vice President, Global Sales Operations until 2011. In 2011, Mr. Lightman joined Wright Medical Group, Inc. as Senior Vice President, General Counsel and Secretary, a position he held until November, 2020, when Wright was acquired by Stryker Corp. In December, 2020, Mr. Lightman was appointed Senior Vice President and General Counsel of Vapotherm, Inc., the position he currently holds. Mr. Lightman holds a juris doctor degree cum laude from the Boston University School of Law and a bachelor's degree magna cum laude from the Boston University School of Management. He is a member of the Massachusetts Bar. Over the last twenty two years, Mr. Lightman and Mr. Palmisano have worked together in multiple healthcare technology companies. Mr. Lightman, while acting as General Counsel at IntraLase and Wright, worked with Mr. Malik as well. We believe Mr. Lightman is qualified to serve on the Board due to his corporate legal experience in public and private healthcare technology companies.**

'*Julie B. Andrews*, 51, has served on the Board since the Initial Public Offering. Ms. Andrews has over 15 years' experience in senior finance leadership roles with leading medical technology companies and brings a broad skill set in executing strategic initiatives and leading global finance organizations. Ms. Andrews is the Chief Financial Officer for Smart Wires Technology LTD. (Nasdaq 1st North: GOGRID-SDB.ST, a clean technology company focused on digitalizing and modernizing the electrical grid. From August, 2019 to November, 2020, Ms. Andrews held the position of Senior Vice President, Global Finance with Wright Medical Group N.V. (Nasdaq: WMGI) with responsibility for the finance, accounting, tax and treasury functions. During her time at Wright Medical, Ms. Andrews played key leadership roles in several successful mergers and acquisitions. These included leading the divestiture and carve-out of the approximately $300 million sale of the hip and knee business to Microport, providing leadership oversight for Wright Medical's $3.3 billion in equity value acquisition of Tornier, N.V., and leading the diligence and integration planning of the sale of Wright Medical to Stryker Corp. Ms. Andrews was Vice President, Chief Accounting Officer from October 2015 to August 2019. Prior to joining Wright Medical, Ms. Andrews spent fourteen years at Medtronic, Inc., a global medical device company. During her tenure with Medtronic, Ms. Andrews held numerous key financial positions including Vice President, Finance (Business Unit CFO) for the $3.5 billion Spine and Biologics business. Ms. Andrews began her career working with Thomas & Betts Corporation in Memphis, Tennessee and Thomas Havey, LLP in Chicago, Illinois. Ms. Andrews

also serves on the board of directors of RxSight (NASDAQ: RXST) and as the chairperson of the audit committee since August 2021, and as the Chief Financial Officer of Smart Wires Technology Ltd. since September 2021. Ms. Andrews received a BS in Accounting from Indiana University NW in 1993. Ms. Andrews and Mr. Palmisano have worked with one another for eight years. We believe that Ms. Andrews is qualified to serve on the Board due to her financial experience in the healthcare industry.

Director Independence

Nasdaq rules require that a majority of our board of directors be independent within one year of our initial public offering. An "independent director" is defined generally as a person who, in the opinion of the company's board of directors, has no material relationship with the listed company (either directly or as a partner, stockholder or officer of an organization that has a relationship with the company). Our board of directors has determined that Julie Andrews, James Lightman and Lance Berry are "independent directors" as defined in the Nasdaq listing standards and applicable SEC rules. Our independent directors have regularly scheduled meetings at which only independent directors are present.

Committees of the Board of Directors

Our board of directors has two standing committees: an audit committee and a compensation committee. Subject to phase-in rules and a limited exception, the rules of Nasdaq and Rule 10A-3 of the Exchange Act require that the audit committee of a listed company be comprised solely of independent directors. Subject to phase-in rules and a limited exception, the rules of Nasdaq require that the compensation committee of a listed company be comprised solely of independent directors.

Audit Committee

We have established an audit committee of the board of directors. The members of our audit committee are Ms. Andrews and Messrs. Lightman and Berry. Ms. Andrews chairs the audit committee. All members of our audit committee are independent of and unaffiliated with our sponsor and our underwriters.

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Each member of the audit committee is financially literate and our board of directors has determined that Ms. Andrews qualifies as an "audit committee financial expert" as defined in applicable SEC rules and has accounting or related financial management expertise.

We adopted an audit committee charter, which details the principal functions of the audit committee, including:

- meeting with our independent registered public accounting firm regarding, among other issues, audits, and adequacy of our accounting and control systems;
- monitoring the independence of the registered public accounting firm;
- verifying the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law;
- inquiring and discussing with management our compliance with applicable laws and regulations;
- pre-approving all audit services and permitted non-audit services to be performed by our registered public accounting firm, including the fees and terms of the services to be performed;
- appointing or replacing the registered public accounting firm;
- determining the compensation and oversight of the work of the registered public accounting firm (including resolution of disagreements between management and the registered public accounting firm regarding financial reporting) for the purpose of preparing or issuing an audit report or related work;

- establishing procedures for the receipt, retention and treatment of complaints received by us regarding accounting, internal accounting controls or reports which raise material issues regarding our financial statements or accounting policies;

- monitoring compliance on a quarterly basis with the terms of our initial public offering and, if any noncompliance is identified, immediately taking all action necessary to rectify such noncompliance or otherwise causing compliance with the terms of our initial public offering; and

- reviewing and approving all payments made to our existing stockholders, executive officers or directors and their respective affiliates. Any payments made to members of our audit committee will be reviewed and approved by our board of directors, with the interested director or directors abstaining from such review and approval.

Compensation Committee

We established a compensation committee of the board of directors. Messrs. Berry and Lightman serve as members of our compensation committee. Mr. Berry chairs the compensation committee.

We adopted a compensation committee charter, which details the principal functions of the compensation committee, including:

- reviewing and approving on an annual basis the corporate goals and objectives relevant to our chief executive officer's compensation, evaluating our chief executive officer's performance in light of such goals and objectives and determining and approving the remuneration (if any) of our chief executive officer's based on such evaluation;

- reviewing and approving the compensation of all of our other Section 16 executive officers;

- reviewing our executive compensation policies and plans;

- implementing and administering our incentive compensation equity-based remuneration plans;

- assisting management in complying with our proxy statement and annual report disclosure requirements;

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- approving all special perquisites, special cash payments and other special compensation and benefit arrangements for our executive officers and employees;

- producing a report on executive compensation to be included in our annual proxy statement; and

- reviewing, evaluating and recommending changes, if appropriate, to the remuneration for directors.

Notwithstanding the foregoing, other than those payments and reimbursements described under the heading "Item 11. Executive Compensation" below, no compensation of any kind, including finders, consulting or other similar fees, will be paid to any of our existing stockholders, officers, directors or any of their respective affiliates, prior to, or for any services they render in order to effectuate the consummation of an initial business combination (including our proposed initial business combination with AEON). Accordingly, it is likely that prior to the consummation of an initial business combination, the compensation committee will only be responsible for the review and recommendation of any compensation arrangements to be entered into in connection with such initial business combination.

The charter also provides that the compensation committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, independent legal counsel or other adviser is directly responsible for the appointment, compensation and oversight of the work of any such adviser. However, before engaging or receiving advice from a compensation consultant, external legal counsel or any other adviser, the compensation committee will consider the independence of each such adviser, including the factors required by Nasdaq and the SEC.

Director Nominations

We do not have a standing nominating committee though we intend to form a corporate governance and nominating committee as and when required to do so by law or Nasdaq rules. In accordance with Rule 5605(e)(2) of the Nasdaq rules, a majority of the independent directors may recommend a director nominee for selection by our board of directors. Our board of directors believes that the independent directors can satisfactorily carry out the responsibility of properly selecting or approving director nominees without the formation of a standing nominating committee. The directors who will participate in the consideration and recommendation of director nominees are Ms. Andrews and Messrs. Lightman and Berry. In accordance with Rule 5605(e)(1)(A) of the Nasdaq rules, all such directors are independent. As there is no standing nominating committee, we do not have a nominating committee charter in place.

The board of directors will also consider director candidates recommended for nomination by our stockholders during such times as they are seeking proposed nominees to stand for election at the next annual meeting of stockholders (or, if applicable, a special meeting of stockholders). Our stockholders that wish to nominate a director for election to our board of directors should follow the procedures set forth in our bylaws.

We have not formally established any specific, minimum qualifications that must be met or skills that are necessary for directors to possess. In general, in identifying and evaluating nominees for director, our board of directors considers educational background, diversity of professional experience, knowledge of our business, integrity, professional reputation, independence, wisdom, and the ability to represent the best interests of our stockholders.

Compensation Committee Interlocks and Insider Participation

None of our executive officers currently serves, and in the past year has not served, as a member of the compensation committee of any entity that has one or more executive officers serving on our board of directors.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our officers, directors and persons who beneficially own more than 10% of our common stock to file reports of ownership and changes in ownership with the SEC. These reporting persons are also required to furnish us with copies of all Section 16(a) forms they file. Based solely upon a review of such forms, we believe that during the year ended December 31, 2021 there were no delinquent filers.

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Code of Ethics

We have adopted a code of ethics applicable to our directors, officers and employees ("Code of Ethics"). A copy of the Code of Ethics will be provided without charge upon request from us. We intend to disclose any amendments to or waivers of certain provisions of our Code of Ethics in a Current Report on Form 8-K.

Conflicts of Interest

In general, officers and directors of a corporation incorporated under the laws of the State of Delaware are required to present business opportunities to a corporation if:

- the corporation could financially undertake the opportunity;
- the opportunity is within the corporation's line of business; and
- it would not be fair to our company and its stockholders for the opportunity not to be brought to the attention of the corporation.

Certain of our officers and directors presently have, and any of them in the future may have additional, fiduciary or contractual obligations to another entity pursuant to which such officer or director is or will be required to present a business combination opportunity to such entity. Accordingly, if any of our officers or directors becomes aware of a business combination opportunity which is suitable for an entity to which he or she has then-current fiduciary or contractual obligations,

he or she will honor his or her fiduciary or contractual obligations to present such business combination opportunity to such entity. Our amended and restated certificate of incorporation provides that we renounce our interest in any corporate opportunity offered to any director or officer unless such opportunity is expressly offered to such person solely in his or her capacity as a director or officer of the company and such opportunity is one we are legally and contractually permitted to undertake and would otherwise be reasonable for us to pursue, and to the extent the director or officer is permitted to refer that opportunity to us without violating another legal obligation. We do not believe, however, that the fiduciary duties or contractual obligations of our officers or directors will materially affect our ability to complete our initial business combination.

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Below is a table summarizing the entities to which our executive officers and directors currently have fiduciary duties or contractual obligations:

Individual	Entity	Entity's Business	Affiliation
Robert Palmisano	Stryker Corporation (as successor-in-interest to Wright Medical)	Medical technologies	Former Chief Executive Officer of Wright Medical
Vikram Malik	Evolus, Inc.	Medical aesthetics	Chairman
	Strathspey Crown (resigned 2022)	Growth equity	Manager
	AEON BioPharma, Inc.	Biopharmaceuticals	Director
	AccessElite	Corporate wellness	Director
	Alphaeon Credit, Inc.	Patient financing	Chairman
Lance A. Berry	Vapotherm Inc.	Medical devices	Director
	Stryker Corporation (as successor-in-interest to Wright Medical)	Medical technologies	Former Executive Vice President, Chief Financial and Operations Officer of Wright Medical
	Treace Medical Concepts, Inc.	Medical devices	Director
James A. Lightman	Vapotherm Inc.	Medical devices	Senior Vice President and General Counsel

	Stryker Corporation (as successor-in-interest to Wright Medical)	**Medical technologies**	**Former Senior Vice President, General Counsel and Secretary of Wright Medical**
Julie B. Andrews	**Stryker Corporation (as successor-in-interest to Wright Medical)**	**Medical technologies**	**Former Senior Vice President, Global Finance of Wright Medical**
	RxSight, Inc.	**Medical technologies**	**Director, Chairperson of the Audit Committee**
	Smart Wires Technology Ltd.	**Power technologies**	**Chief Financial Officer**

Potential investors should also be aware of the following other potential conflicts of interest:

- Our executive officers and directors are not required to, and will not, commit their full time to our affairs, which may result in a conflict of interest in allocating their time between our operations and our search for a business combination and their other businesses. We do not intend to have any full-time employees prior to the completion of our initial business combination. Certain of our executive officers are engaged in several other business endeavors for which he may be entitled to substantial compensation, and our executive officers are not obligated to contribute any specific number of hours per week to our affairs.

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- Our initial stockholders purchased founder shares and private placement warrants in a transaction that closed simultaneously with the closing of our initial public offering. Our initial stockholders have entered into agreements with us, pursuant to which they have agreed to waive their redemption rights with respect to their founder shares and any public shares they hold in connection with the completion of our initial business combination. The other members of our management team have entered into agreements similar to the one entered into by our initial stockholders with respect to any public shares acquired by them in or after our initial public offering. Additionally, our initial stockholders have agreed to waive their rights to liquidating distributions from the trust account with respect to their founder shares if we fail to complete our initial business combination within the prescribed time frame or during any Extension Period. If we do not complete our initial business combination within the prescribed time frame, the private placement warrants will expire worthless. Furthermore, our initial stockholders have agreed not to transfer, assign or sell any of their founder shares until the earlier to occur of: (i) one year after the completion of our initial business combination and (ii) the date following the completion of our initial business combination on which we complete a liquidation, merger, capital stock exchange or other similar transaction that results in all of our stockholders having the right to exchange their common stock for cash, securities or other property. Notwithstanding the foregoing, if the closing price of our Class A Common Stock equals or exceeds $12.00 per share (as adjusted for stock splits, stock capitalizations, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 150 days after our initial business combination, the founder shares will be released from the lockup. Subject to certain limited exceptions, the private placement warrants will not be transferable until 30 days following the completion of our initial business combination. Because certain of our executive officers and director nominees will own common stock or warrants directly or indirectly, they may have a conflict of interest in determining whether a particular target business (including AEON) is an appropriate business with which to effectuate our initial business combination.

- Our officers and directors may have a conflict of interest with respect to evaluating a particular business combination (including our proposed initial business combination with AEON) if the retention or resignation of any such officers and directors was included by a target business as a condition to any agreement with respect to our initial business combination.

We are not prohibited from pursuing an initial business combination with a business combination target that is affiliated with our sponsor, officers or directors or completing the business combination through a joint venture or other form of shared ownership with our sponsor, officers or directors (although AEON is not affiliated with our sponsor, officers, directors or scientific advisor). In the event we seek to complete our initial business combination with a business combination target that is affiliated with our sponsor, executive officers or directors, we, or a committee of independent directors, would obtain an opinion from an independent investment banking which is a member of FINRA or a valuation or appraisal firm, that such initial business combination is fair to our company from a financial point of view. We are not required to obtain such an opinion in any other context. Furthermore, other than those payments and reimbursements described under the heading "Item 11. Executive Compensation" below, in no event will our sponsor or any of our existing officers or directors, or any of their respective affiliates, be paid by the company any finder's fee, consulting fee or other compensation prior to, or for any services they render in order to effectuate, the completion of our initial business combination (regardless of the type of transaction that it is, including the proposed initial business combination with AEON, which is described elsewhere in this Report).

We cannot assure you that any of the above mentioned conflicts will be resolved in our favor.

In the event that we submit our initial business combination to our public stockholders for a vote, our initial stockholders have agreed to vote their founder shares, and they and the other members of our management team have agreed to vote any founder shares they hold and any shares purchased during or after our initial public offering in favor of our initial business combination.

Limitation on Liability and Indemnification of Officers and Directors

Our amended and restated certificate of incorporation provides that our officers and directors are indemnified by us to the fullest extent authorized by Delaware law, as it now exists or may in the future be amended. In addition, our amended and restated certificate of incorporation provides that our directors are not personally liable for monetary damages to us or our stockholders for breaches of their fiduciary duty as directors, unless they violated their duty of loyalty to us or our stockholders, acted in bad faith, knowingly or intentionally violated the law, authorized unlawful payments of dividends, unlawful stock purchases or unlawful redemptions, or derived an improper personal benefit from their actions as directors.

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We entered into agreements with our officers and directors to provide contractual indemnification in addition to the indemnification provided for in our amended and restated certificate of incorporation. Our bylaws also permit us to secure insurance on behalf of any officer, director or employee for any liability arising out of his or her actions, regardless of whether Delaware law would permit such indemnification. We purchased a policy of directors' and officers' liability insurance that insures our officers and directors against the cost of defense, settlement or payment of a judgment in some circumstances and insures us against our obligations to indemnify our officers and directors. Except with respect to any public shares they may acquire in our initial public offering or thereafter (in the event we do not consummate an initial business combination), our officers and directors have agreed to waive (and any other persons who may become an officer or director prior to the initial business combination will also be required to waive) any right, title, interest or claim of any kind in or to any monies in the trust account, and not to seek recourse against the trust account for any reason whatsoever, including with respect to such indemnification.

These provisions may discourage stockholders from bringing a lawsuit against our directors for breach of their fiduciary duty. These provisions also may have the effect of reducing the likelihood of derivative litigation against officers and directors, even though such an action, if successful, might otherwise benefit us and our stockholders. Furthermore, a stockholder's investment may be adversely affected to the extent we pay the costs of settlement and damage awards against officers and directors pursuant to these indemnification provisions.

We believe that these provisions, the directors' and officers' liability insurance and the indemnity agreements are necessary to attract and retain talented and experienced officers and directors.

Item 11. Executive Compensation

Commencing on February 11, 2021, the date that our securities were first listed on Nasdaq through the earlier of consummation of our initial business combination and our liquidation, we will pay up to $25,000 per month for administrative and other services, of which $10,000 per month will be paid to our sponsor for office space and administrative services provided to members of our management team and up to $15,000 will be used to compensate our Chief Operating Officer and Chief Financial Officer and Chief Legal Officer and Secretary for a portion of their time spent on our affairs. In addition, subject to approval by our audit committee, we may pay members of our board of directors for advisory or consulting services that may be provided to us in connection with our initial business combination and our sponsor, executive officers and directors, or any of their respective affiliates will be reimbursed for any out-of-pocket expenses incurred in connection with activities on our behalf such as identifying potential target businesses and performing due diligence on suitable business combinations. Our audit committee will review on a quarterly basis all payments that were made to our sponsor, executive officers or directors, or our or their affiliates. Any such payments prior to an initial business combination will be made from funds held outside the trust account. Other than quarterly audit committee review of such payments, we do not expect to have any additional controls in place governing our reimbursement payments to our directors and executive officers for their out-of-pocket expenses incurred in connection with our activities on our behalf in connection with identifying and consummating an initial business combination. Other than these payments and reimbursements, no compensation of any kind, including finder's and consulting fees, will be paid by the company to our sponsor, executive officers and directors, or any of their respective affiliates, prior to completion of our initial business combination.

After the completion of our initial business combination, directors or members of our management team who remain with us may be paid consulting or management fees from the combined company. All of these fees will be fully disclosed to stockholders, to the extent then known, in the proxy solicitation materials or tender offer materials furnished to our stockholders in connection with a proposed business combination. We have not established any limit on the amount of such fees that may be paid by the combined company to our directors or members of management. It is unlikely the amount of such compensation will be known at the time of the proposed business combination, because the directors of the post-combination business will be responsible for determining executive officer and director compensation. Any compensation to be paid to our executive officers will be determined, or recommended to the board of directors for determination, either by a compensation committee constituted solely by independent directors or by a majority of the independent directors on our board of directors.

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We do not intend to take any action to ensure that members of our management team maintain their positions with us after the consummation of our initial business combination, although it is possible that some or all of our executive officers and directors may negotiate employment or consulting arrangements to remain with us after our initial business combination. The existence or terms of any such employment or consulting arrangements to retain their positions with us may influence our management's motivation in identifying or selecting a target business but we do not believe that the ability of our management to remain with us after the consummation of our initial business combination will be a determining factor in our decision to proceed with any potential business combination. We are not party to any agreements with our executive officers and directors that provide for benefits upon termination of employment.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth information regarding the beneficial ownership of our common stock as of the date of this Annual Report, and as adjusted to reflect the sale of our Class A Common Stock included in the units offered by this Annual

Report, and assuming no purchase of units in our initial public offering, by:

- each person known by us to be the beneficial owner of more than 5% of our outstanding shares of common stock;
- each of our executive officers, directors and director nominees; and
- all our executive officers and directors as a group.

Unless otherwise indicated, we believe that all persons named in the table have sole voting and investment power with respect to all of our common stock beneficially owned by them. The following table does not reflect record or beneficial ownership of the private placement warrants as these warrants are not exercisable within 60 days of the date of this Annual Report. On December 17, 2020, our sponsor subscribed for an aggregate 5,750,000 founder shares for a total subscription price of $25,000, or approximately $0.004 per share. Such shares are fully paid, and the cash amount of the subscription price therefor was received on December 17, 2020. On February 8, 2021, as part of an upsizing of the IPO, we effected a stock split in which each issued share of Class B Common Stock that was outstanding was converted into one and two tenths shares of Class B Common Stock, resulting in an aggregate of 6,900,000 founder shares issued and outstanding. Prior to the initial investment in the company of $25,000 by the sponsor, the company had no assets, tangible or intangible. The purchase price of the founder shares was determined by dividing the amount of cash contributed to the company by the number of founder shares issued. The number of founder shares outstanding was determined based on the total size of our initial public offering of 27,600,000 units, and therefore that such founder shares would represent 20% of the outstanding shares after our initial public offering.

Name and Address of Beneficial Owner(1)	Number of Shares Beneficially Owned(2)	Approximate Percentage of Outstanding Common Stock	
		Before Offering	After Offering
Priveterra Sponsor, LLC (our sponsor)(3)	6,900,000	100.0 %	20.0 %
Robert Palmisano(3)	6,900,000	100.0 %	20.0 %
Vikram Malik(3)	6,900,000	100.0 %	20.0 %
Oleg Grodnensky(3)	6,900,000	100.0 %	20.0 %
Lance A. Berry	—	—	—
James A. Lightman	—	—	—
Julie B. Andrews	—	—	—
All executive officers and directors as a group (7 individuals)	6,900,000	100.0 %	20.0 %

* Less than 1%.

(1) Unless otherwise noted, the business address of each of the following is 300 SE 2nd Street, Suite 600, Fort Lauderdale, Florida 33301.

(2) Interests shown consist solely of founder shares, classified as Class B Common Stock. Such shares will automatically convert into Class A Common Stock concurrently with or immediately following the consummation of our initial business combination on a one-for-one basis, subject to adjustment, as described in the section entitled “Description of Securities.”

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(3) Our sponsor, Priveterra Sponsor, LLC, is the record holder of the shares reported herein. Each of Messrs. Palmisano, Grodnensky and Malik has voting and investment discretion with respect to the common stock held of record by Priveterra Sponsor, LLC. Each of our officers and directors other than Messrs. Palmisano, Grodnensky and Malik disclaims any beneficial ownership of any shares held by our sponsor.

Our initial stockholders beneficially own 20.0% of our issued and outstanding common stock. Because of this ownership block, our initial stockholders may be able to effectively influence the outcome of all other matters requiring approval by our

stockholders, including amendments to our amended and restated certificate of incorporation and approval of significant corporate transactions including our initial business combination.

Our sponsor purchased an aggregate of 5,213,333 private placement warrants, at a price of $1.50 per warrant, or $7,820,000 in the aggregate, in a private placement that occurred simultaneously with the closing of our initial public offering. Each private placement warrant entitles the holder to purchase one share of Class A Common Stock at $11.50 per share. A portion of the purchase price of the private placement warrants was added to the proceeds from our initial public offering to be held in the trust account. If we do not complete our initial business combination by August 11, 2023, the private placement warrants will expire worthless. The private placement warrants are subject to the transfer restrictions described below. The private placement warrants will not be redeemable by us so long as they are held by the initial purchasers or their permitted transferees. The initial purchasers, or their permitted transferees, have the option to exercise the private placement warrants on a cashless basis. If the private placement warrants are held by holders other than initial purchasers or their permitted transferees, the private placement warrants will be redeemable by us and exercisable by the holders on the same basis as the warrants included in the units being sold in our initial public offering. Otherwise, the private placement warrants have terms and provisions that are identical to those of the warrants being sold as part of the units in our initial public offering.

Priveterra Sponsor, LLC, our sponsor, and our executive officers are deemed to be our "promoters" as such term is defined under the federal securities laws.

Transfers of Founder Shares and Private Placement Warrants

The founder shares, private placement warrants and any shares of Class A Common Stock issued upon conversion or exercise thereof are each subject to transfer restrictions pursuant to lock-up provisions in the agreements entered into by our initial stockholders and management team. Those lock-up provisions provide that such securities are not transferable or salable (i) in the case of the founder shares, until the earlier of (A) one year after the completion of our initial business combination or earlier if, subsequent to our initial business combination, the closing price of the Class A Common Stock equals or exceeds $12.00 per share (as adjusted for stock splits, stock capitalizations, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 150 days after our initial business combination and (B) the date following the completion of our initial business combination on which we complete a liquidation, merger, capital stock exchange or other similar transaction that results in all of our stockholders having the right to exchange their Class A Common Stock for cash, securities or other property and (ii) in the case of the private placement warrants and the respective shares of Class A Common Stock underlying such warrants, until 30 days after the completion of our initial business combination except in each case (a) to our officers or directors, any affiliate or family member of any of our officers or directors, any affiliate of our sponsor or to any member of the sponsor or any of their affiliates, (b) in the case of an individual, as a gift to such person's immediate family or to a trust, the beneficiary of which is a member of such person's immediate family, an affiliate of such person or to a charitable organization; (c) in the case of an individual, by virtue of laws of descent and distribution upon death of such person; (d) in the case of an individual, pursuant to a qualified domestic relations order; (e) by private sales or transfers made in connection with any forward purchase agreement or similar arrangement or in connection with the consummation of a business combination at prices no greater than the price at which the shares or warrants were originally purchased; (f) by virtue of the laws of the State of Delaware or our Sponsor's limited liability company agreement upon dissolution of our Sponsor, (g) in the event of our liquidation prior to our consummation of our initial business combination; or (h) in the event that, subsequent to our consummation of an initial business combination, we complete a liquidation, merger, capital stock exchange or other similar transaction which results in all of our stockholders having the right to exchange their Class A Common Stock for cash, securities or other property; provided, however, that in the case of clauses (a) through (f) these permitted transferees must enter into a written agreement agreeing to be bound by these transfer restrictions and the other restrictions contained in the letter agreement.

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Registration Rights

The holders of the (i) founder shares, which were issued in a private placement prior to the closing of our initial public offering, (ii) private placement warrants, which were issued in a private placement simultaneously with the closing of our initial public offering and the shares of Class A Common Stock underlying such private placement warrants and (iii) private placement warrants that may be issued upon conversion of working capital loans will have registration rights to require us to register a sale of any of our securities held by them prior to the consummation of our initial business combination pursuant to a registration rights agreement to be signed prior to or on the effective date of our initial public offering. Pursuant to the registration rights agreement and assuming the $1.5 million of working capital loans are converted into private placement warrants, we will be obligated to register up to 13,113,333 shares of Class A Common Stock and 6,213,333 warrants. The number of shares of Class A Common Stock includes (i) 6,900,000 shares of Class A Common Stock to be issued upon conversion of the founder shares, (ii) 5,213,333 shares of Class A Common Stock underlying the private placement warrants and (iii) 1,000,000 shares of Class A Common Stock underlying the private placement warrants issued upon conversion of working capital loans. The number of warrants includes 5,213,333 private placement warrants and 1,000,000 private placement warrants issued upon conversion of working capital loans. The holders of these securities are entitled to make up to three demands, excluding short form demands, that we register such securities. In addition, the holders have certain “piggy-back” registration rights with respect to registration statements filed subsequent to our completion of our initial business combination. We will bear the expenses incurred in connection with the filing of any such registration statements.

Equity Compensation Plans

As of December 31, 2021, we had no compensation plans (including individual compensation arrangements) under which equity securities were authorized for issuance.

Item 13. Certain Relationships and Related Transactions, and Director Independence

On December 17, 2020 our sponsor subscribed for an aggregate 5,750,000 founder shares for a total subscription price of $25,000, or approximately $0.004 per share. Such shares are fully paid, and the cash amount of the subscription price therefor was received on December 17, 2020. The number of founder shares outstanding was determined based on the expectation that the total size of our initial public offering would be a maximum of 23,000,000 units if the underwriters’ over-allotment option was exercised in full, and therefore that such founder shares would represent 20% of the outstanding shares after our initial public offering. On February 8, 2021, as part of an upsizing of the IPO, we effected a stock split in which each issued share of Class B Common Stock that was outstanding was converted into one and two tenths shares of Class B Common Stock, resulting in an aggregate of 6,900,000 founder shares issued and outstanding, equal to 20% of our issued and outstanding common stock.

Our sponsor purchased an aggregate of 5,213,333 private placement warrants, at a price of $1.50 per warrant, or $7,820,000 in the aggregate, in a private placement that closed simultaneously with the closing of our initial public offering. Each private placement warrant entitles the holder to purchase one share of Class A Common Stock at $11.50 per share. The private placement warrants (including the Class A Common Stock issuable upon exercise of the private placement warrants) may not, subject to certain limited exceptions, be transferred, assigned or sold until 30 days after the completion of our initial business combination.

We currently utilize office space at 300 SE 2nd Street, Suite 600, Fort Lauderdale, Florida 33301 from our sponsor. We pay up to $25,000 per month for administrative and other services, of which $10,000 per month is paid to our sponsor for office space and administrative services provided to members of our management team and up to $15,000 is used to compensate our Chief Operating Officer, Chief Financial Officer and Chief Legal Officer and Secretary for a portion of their time spent on our affairs. Upon completion of our initial business combination or our liquidation, we will cease paying these monthly fees.

Subject to approval by our audit committee, we may pay members of our board of directors for advisory or consulting services that may be provided to us in connection with our initial business combination. In addition, our sponsor, executive officers and directors, or any of their respective affiliates will be reimbursed for any out-of-pocket expenses incurred in connection with activities on our behalf such as identifying potential target businesses and performing due diligence on suitable business combinations. Other than the foregoing, no compensation of any kind, including finder’s and consulting fees, will be paid by the company to our sponsor, executive officers and directors, or any of their respective affiliates, for services rendered prior to or in connection with the completion of an initial business combination. Our audit committee will review on a quarterly basis all payments that were made to our sponsor, officers, directors or our or their affiliates.

In addition, in order to finance transaction costs in connection with an intended initial business combination, our sponsor or an affiliate of our sponsor or certain of our officers and directors may, but are not obligated to, loan us funds as may be required on a non-interest basis. If we complete an initial business combination, we would repay such loaned amounts. In the event that the initial business combination does not close, we may use a portion of the working capital held outside the trust account to repay such loaned amounts but no proceeds from our trust account would be used for such repayment. Up to $1,500,000 of such loans may be convertible into warrants of the post business combination entity at a price of $1.50 per warrant at the option of the lender. The warrants would be identical to the private placement warrants. In June 2021, the company had $100,000 of Working Capital Loans outstanding which were converted into 66,667 Working Capital Warrants. As of December 31, 2021 and 2020, the company had no borrowings under the Working Capital Loans.

After our initial business combination, members of our management team who remain with us may be paid consulting, management or other fees from the combined company with any and all amounts being fully disclosed to our stockholders, to the extent then known, in the proxy solicitation or tender offer materials, as applicable, furnished to our stockholders. It is unlikely the amount of such compensation will be known at the time of distribution of such tender offer materials or at the time of a stockholder meeting held to consider our initial business combination, as applicable, as it will be up to the directors of the post-combination business to determine executive and director compensation.

We have entered into a registration rights agreement with respect to the founder shares and private placement warrants, which is described under the heading “Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters—Registration Rights.”

Policy for Approval of Related Party Transactions

The audit committee of our board of directors has adopted a policy setting forth the policies and procedures for its review and approval or ratification of “related party transactions.” A “related party transaction” is any consummated or proposed transaction or series of transactions: (i) in which the company was or is to be a participant; (ii) the amount of which exceeds (or is reasonably expected to exceed) the lesser of $120,000 or 1% of the average of the company’s total assets at year end for the prior two completed fiscal years in the aggregate over the duration of the transaction (without regard to profit or loss); and (iii) in which a “related party” had, has or will have a direct or indirect material interest. “Related parties” under this policy will include: (i) our directors, nominees for director or executive officers; (ii) any record or beneficial owner of more than 5% of any class of our voting securities; (iii) any immediate family member of any of the foregoing if the foregoing person is a natural person; and (iv) any other person who maybe a “related person” pursuant to Item 404 of Regulation S-K under the Exchange Act. Pursuant to the policy, the audit committee will consider (i) the relevant facts and circumstances of each related party transaction, including if the transaction is on terms comparable to those that could be obtained in arm’s-length dealings with an unrelated third party, (ii) the extent of the related party’s interest in the transaction, (iii) whether the transaction contravenes our code of ethics or other policies, (iv) whether the audit committee believes the relationship underlying the transaction to be in the best interests of the company and its stockholders and (v) the effect that the transaction may have on a director’s status as an independent member of the board and on his or her eligibility to serve on the board’s committees. Management will present to the audit committee each proposed related party transaction, including all relevant facts and circumstances relating thereto. Under the policy, we may consummate related party transactions only if our audit committee approves or ratifies the transaction in accordance with the guidelines set forth in the policy. The policy will not permit any director or executive officer to participate in the discussion of, or decision concerning, a related person transaction in which he or she is the related party.

Director Independence

Nasdaq rules require that a majority of our board of directors be independent within one year of our initial public offering. An “independent director” is defined generally as a person who, in the opinion of the company’s board of directors, has no material relationship with the listed company (either directly or as a partner, stockholder or officer of an organization that has a relationship with the company). Our board of directors has determined that Julie Andrews, James Lightman and Lance Berry are “independent directors” as defined in the Nasdaq listing standards and applicable SEC rules. Our independent directors have regularly scheduled meetings at which only independent directors are present.

Item 14. Principal Accountant Fees and Services.

The firm of WithumSmith+Brown, PC, or Withum, acts as our independent registered public accounting firm. The following is a summary of fees paid to Withum for services rendered.

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***Audit Fees*. For the year ended December 31, 2022 and 2021, fees for our independent registered public accounting firm were approximately $78,988 and $116,415, respectively, for the services Withum performed in connection with our Initial Public Offering and the audit of our December 31, 2022 and 2021 financial statements included in this Annual Report on Form 10-K.**

***Tax Fees*. For the year ended December 31, 2022 and 2021, fees for our independent registered public accounting firm were approximately $9,152 and $8,320, respectively, for the services Withum performed in connection with our tax filings.**

***All Other Fees*. For the year ended December 31, 2021 and for the period from November 17, 2020 (inception) through December 31, 2020, there were no fees billed for products and services provided by our independent registered public accounting firm other than those set forth above.**

Pre-Approval Policy

Our audit committee was formed upon the consummation of our Initial Public Offering. As a result, the audit committee did not pre-approve all of the foregoing services, although any services rendered prior to the formation of our audit committee were approved by our board of directors. Since the formation of our audit committee, and on a going-forward basis, the audit committee has and will pre-approve all auditing services and permitted non-audit services to be performed for us by our auditors, including the fees and terms thereof (subject to the de minimis exceptions for non-audit services described in the Exchange Act which are approved by the audit committee prior to the completion of the audit).

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PART IV

Item 15. Exhibits, Financial Statement Schedules

(a) The following documents are filed as part of this Form 10-K:

(1) Financial Statements:

(2) Financial Statement Schedules:

None.

(3) Exhibits:

We hereby file as part of this Annual Report the exhibits listed in the attached Exhibit Index. Exhibits which are incorporated herein by reference can be inspected and copied at the public reference facilities maintained by the SEC, 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Copies of such material can also be obtained from the Public Reference Section of the SEC, 100 F Street, N.E., Washington, D.C. 20549, at prescribed rates or on the SEC website at www.sec.gov.

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Exhibit No.	Description
*1.1	Underwriting Agreement, dated February 8, 2021, by and among the Company and Wells Fargo Securities, LLC and Guggenheim Securities, LLC, as representatives of the several underwriters.
**2.1	Business Combination Agreement, dated as of December 12, 2022, by and among the Registrant, Priveterra Merger Sub, Inc. and AEON Biopharma, Inc.
*3.1	Second Amended and Restated Certificate of Incorporation of the Company.
3.1(a)	Amendment to the Second Amended and Restated Certificate of Incorporation.
*3.2	Bylaws of the Company.
*4.1	Warrant Agreement, dated February 8, 2021, by and between the Company and Continental Stock Transfer & Trust Company, as warrant agent.
*10.1	Letter Agreement, dated February 8, 2021, by and among the Company, its executive officers, its directors and Priveterra Sponsor, LLC.
***10.1(a)	Form of Letter Agreement
*10.2	Investment Management Trust Agreement, dated February 8, 2021, by and between the Company and Continental Stock Transfer & Trust Company, as trustee.
*10.3	Registration Rights Agreement, dated February 8, 2021, by and among the Company, Priveterra Sponsor, LLC and the other holders party thereto.
*10.4	Private Placement Warrants Purchase Agreement, dated February 8, 2021, by and among the Company and Priveterra Sponsor, LLC.
*10.5	Administrative Services Agreement, dated February 8, 2021, by and between the Company and Priveterra Sponsor, LLC.
*10.6	Convertible Promissory Note, dated as of February 15, 2021, issued to Priveterra Sponsor, LLC.
31.1	Certification of the Registrant's Chief Executive Officer (Principal Executive Officer) Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of the Registrant's Chief Financial Officer (Principal Financial and Accounting Officer) Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of the Registrant's Chief Executive Officer (Principal Executive Officer) Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of the Registrant's Chief Financial Officer (Principal Financial and Accounting Officer) Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document

101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

*** Previously filed as an exhibit to our Form 10-K filed on March 28, 2022.**

**** Previously filed as an exhibit to our Current Report on Form 8-K filed on December 12, 2022 and incorporated herein by reference.**

***** Previously filed as an exhibit to our Current Report on Form 8-K filed on January 11, 2023 and incorporated herein by reference.**

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Item 16. Form 10-K Summary

Not applicable.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Act of 1934, as amended, the registrant has duly caused this Annual Report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized, on February 21, 2023.

PRIVETERRA ACQUISITION CORP

By: /S/ Robert J. Palmisano

Name: /s/ Robert J. Palmisano

Title: Chief Executive Officer and Chairman

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Annual Report on Form 10-K has been signed by the following persons in the capacity and on the dates indicated.

Signature	Title	Date
/S/ Robert J. Palmisano **Robert J. Palmisano**	**Chief Executive Officer and Chairman** **(Principal Executive Officer)**	**February 21, 2023**
/S/ Vikram Malik **Vikram Malik**	**President and Director**	**February 21, 2023**
/S/ Oleg Grodnensky **Oleg Grodnensky**	**Chief Operating Officer, Chief Financial Officer and Secretary**	**February 21, 2023**
/S/ Lance A. Berry **Lance A. Berry**	**Director**	**February 21, 2023**

/S/ James A. Lightman James A. Lightman	Director	February 21, 2023
/S/ Julie B. Andrews Julie B. Andrews	Director	February 21, 2023

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PRIVETERRA ACQUISITION CORP.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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Priveterra Acquisition Corp.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets sheet of Priveterra Acquisition Corp. AEON Biopharma, Inc. and subsidiary (the "Company") Company) as of December 31, 2022 and 2021, December 31, 2023 (Successor), the related consolidated statements of operations changes in and comprehensive (loss) income, convertible preferred stock and stockholders' deficit, and cash flows for the years ended December 31, 2022 periods from January 1, 2023 through July 21, 2023 (Predecessor), and 2021, July 22, 2023 through December 31, 2023 (Successor), and the related notes (collectively, referred to as the "financial statements") consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, December 31, 2023 (Successor), and the results of its operations and its cash flows for the years ended December 31, 2022 periods from January 1, 2023 through July 21, 2023 (Predecessor), and 2021, July 22, 2023 through December 31, 2023 (Successor), in conformity with accounting principles U.S. generally accepted in the United States of America. accounting principles.

Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, if the Company is unable to raise additional funds to alleviate liquidity needs has experienced recurring losses from operations and complete has a business combination by August 11, 2023 (originally February 11, 2023; see Note 10) then the Company will cease all net capital deficiency and negative cash flows from operations except for the purpose of liquidating. The liquidity condition and date for mandatory liquidation and subsequent dissolution that raise substantial doubt about the Company's its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control controls over financial reporting. As part of our audits, audit, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits audit included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide audit provides a reasonable basis for our opinion.

/s/ WithumSmith+Brown, PC KPMG LLP

We have served as the Company's auditor since 2020. 2023.
New York, New York
February 21, 2023 San Diego, California
PCAOB ID Number 100 March 29, 2024

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Report of Independent Registered Public Accounting Firm

The Stockholders and Board of Directors of AEON Biopharma, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of AEON Biopharma, Inc. (Old AEON) (the Company) as ofDecember 31, 2022, the related consolidated statements of operations and comprehensive income (loss), convertible preferred stock and stockholders' deficit and cash flows for the year then ended, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2022, and the results of itsoperations and its cash flows for the years then ended in conformity with U.S. generally accepted accountingprinciples.

The Company's Ability to Continue as a Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue asa going concern. As discussed in Note 1 to the financial statements, the Company has experienced recurring lossesfrom operations, has a net capital deficiency, negative cash flows from operations since inception, and has stated thatsubstantial doubt exists about the Company's ability to continue as a going concern. Management's evaluation of theevents and conditions and management's plans regarding these matters are also described in Note 1. The consolidatedfinancial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent withrespect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures includedexamining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit alsoincluded evaluating the accounting principles used and significant estimates made by management, as wellasevaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We served as the Company's auditor from 2019 to 2023.

Irvine, California
March 9, 2023

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PRIVETERRA ACQUISITION CORP.AEON BIOPHARMA, INC.
CONSOLIDATED BALANCE SHEETS SHEETS
(in thousands, except share data and par value amounts)

	December 31,	
	2022	2021
Assets		
Current assets		
Cash	$ 67,909	$ 497,412
Prepaid assets	41,287	337,812
Total Current Assets	109,196	835,224
Prepaid assets – non-current	—	34,619
Investments held in Trust Account	279,384,429	276,079,687
Total Assets	$ 279,493,625	$ 276,949,530
Liabilities, Common Stock Subject to Possible Redemption and Stockholders' Deficit		
Current liabilities:		
Accounts payable and accrued expenses	$ 2,620,682	$ 634,585
Franchise tax payable	226,936	200,000
Promissory Note – Related Party	150,000	—
Deferred tax liability	588,899	—
Income tax payable	294,430	—
Total current liabilities	3,880,947	834,585
Warrant liabilities	669,759	7,384,800
Deferred underwriting commission	5,892,600	9,660,000
Total liabilities	10,443,306	17,879,385
Commitments and Contingencies		
Class A common stock subject to possible redemption, 27,600,000 shares as of December 31, 2022 and 2021, at redemption value of $10.09 and $10.00, respectively	278,487,272	276,000,000
Stockholders' Deficit:		
Preferred stock, $0.0001 par value; 1,000,000 shares authorized; none issued or outstanding	—	—
Class A common stock, $0.0001 par value; 280,000,000 shares authorized; 0 shares issued and outstanding (excluding 27,600,000 shares subject to possible redemption) as of December 31, 2022 and 2021, respectively	—	—
Class B common stock, $0.0001 par value; 20,000,000 shares authorized; 6,900,000 shares issued and outstanding at December 31, 2022 and 2021, respectively	690	690
Additional paid-in capital	32,000	32,000
Accumulated deficit	(9,469,643)	(16,962,545)
Total Stockholders' Deficit	(9,436,953)	(16,929,855)
Total Liabilities, Common Stock Subject to Possible Redemption and Stockholders' Deficit	$ 279,493,625	$ 276,949,530

	Successor	Predecessor
	December 31, 2023	December 31, 2022
ASSETS		
Current assets:		
Cash	$ 5,158	$ 9,746
Prepaid expenses and other current assets	1,064	92
Total current assets	6,222	9,838
Property and equipment, net	332	431

Operating lease right-of-use asset	262	475
Other assets	29	34
Total assets	$ 6,845	$ 10,778
LIABILITIES, CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	$ 3,388	$ 7,805
Accrued clinical trials expenses	5,128	2,051
Accrued compensation	943	1,112
Other accrued expenses	3,590	740
Current portion of convertible notes at fair value, including related party amount of $0 and $38,834 at December 31, 2023 and December 31, 2022, respectively	—	70,866
Total current liabilities	13,049	82,574
Convertible notes at fair value, including related party amount of $0 and $23,132, at December 31, 2023 and December 31, 2022, respectively	—	60,426
Operating lease liability	—	242
Warrant liability	1,447	—
Contingent consideration liability	104,350	—
Embedded forward purchase agreements and derivative liabilities	41,043	—
Total liabilities	159,889	143,242
Commitments and contingencies		
Convertible preferred stock issuable in series, $0.0001 par value; 44,666,035 shares authorized as of December 31, 2022; 21,257,708 shares issued and outstanding at December 31, 2022; liquidation preference of $141,920 at December 31, 2022	—	137,949
Stockholders' Deficit:		
AEON Biopharma, Inc. stockholders' deficit:		
Class A common stock, $0.0001 par value; 500,000,000 and 207,450,050 shares authorized, 37,159,600 and 138,848,177 shares issued and 37,159,600 and 138,825,356 shares outstanding at December 31, 2023 and December 31, 2022, respectively	4	14
Additional paid-in capital	381,264	187,348
Subscription receivables	(60,710)	—
Accumulated deficit	(473,602)	(474,839)
Treasury stock, at cost, 0 and 22,821 shares at December 31, 2023 and December 31, 2022, respectively	—	(23)
Total AEON Biopharma, Inc. stockholders' deficit	(153,044)	(287,500)
Non-controlling interest	—	17,087
Total stockholders' deficit	(153,044)	(270,413)
Total liabilities, convertible preferred stock and stockholders' deficit	$ 6,845	$ 10,778

*The See accompanying notes are an integral part of these to the consolidated financial statements.*statements

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PRIVETERRA ACQUISITION CORP.AEON BIOPHARMA, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE (LOSS) INCOME
(in thousands, except share and per share data)

	For the Year ended December 31, 2022	For the Year ended December 31, 2021
Operating costs	$ 3,325,605	$ 1,935,943
Loss from operations	(3,325,605)	(1,935,943)
Other income		
Unrealized change in fair value of warrants liabilities	6,715,041	10,712,133
Gain on forgiveness of deferred underwriting fee payable	3,767,400	—
Offering costs allocated to warrant liabilities	—	(655,046)
Interest earned on investments held in Trust Account	3,706,667	79,687
Total other income, net	14,189,108	10,136,774
Income before provision for income taxes	10,863,503	8,200,831
Provision for income taxes	(883,329)	—
Net Income	$ 9,980,174	$ 8,200,831
Basic and diluted weighted average shares outstanding, Class A common stock subject to possible redemption	27,600,000	24,499,726
Basic and diluted net income per share, Class A common stock subject to possible redemption	$ 0.29	$ 0.26
Basic and diluted weighted average shares outstanding, Class B common stock	6,900,000	6,806,301
Basic and diluted net income per share, Class B common stock	$ 0.29	$ 0.26

	Year Ended December 31,		
	2023		2022
	Predecessor January 1 to July 21	Successor July 22 to December 31	Predecessor January 1 to December 31
Operating expenses:			
Selling, general and administrative	$ 9,841	$ 9,949	$ 13,675
Research and development	19,803	13,243	34,754
Change in fair value of contingent consideration	—	(52,750)	—
Total operating costs and expenses	29,644	(29,558)	48,429
(Loss) income from operations	(29,644)	29,558	(48,429)
Other (loss) income:			
Change in fair value of convertible notes	(19,359)	—	(4,416)
Change in fair value of warrants	—	2,318	—
Change in fair value of embedded forward purchase agreements and derivative liabilities	(11,789)	(8,366)	—
Other income, net	114	536	289
Total other (loss) income, net	(31,034)	(5,512)	(4,127)
(Loss) income before taxes	(60,678)	24,046	(52,556)
Income taxes	—	—	—
(Loss) income and comprehensive (loss) income	$ (60,678)	$ 24,046	$ (52,556)
Basic and diluted net (loss) income per share	$ (0.44)	$ 0.65	$ (0.38)
Weighted average shares of common stock outstanding used to compute basic and diluted net (loss) income per share	138,848,177	37,159,600	138,848,177

The

*See accompanying notes are an integral part of these to the consolidated financial statements.*statements

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PRIVETERRA ACQUISITION CORP.

AEON BIOPHARMA, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT

FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021

(in thousands, except share data)

	Class A Common Stock		Class B Common Stock		Additional Paid-in	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Capital	deficit	Equity (Deficit)
Balance – December 31, 2020	—	$ —	6,900,000	$ 690	$ 24,310	$ (3,588)	$ 21,412
Excess cash over fair value for Private Placement Warrants	—	—	—	—	1,199,067	—	1,199,067
Accretion of Class A common stock to redemption value	—	—	—	—	(1,223,377)	(25,159,788)	(26,383,165)
Excess cash received over the fair value of the converted working capital loan	—	—	—	—	32,000	—	32,000
Net income	—	—	—	—	—	8,200,831	8,200,831
Balance – December 31, 2021	—	—	6,900,000	690	32,000	(16,962,545)	(16,929,855)
Accretion of Class A common stock to redemption value	—	—	—	—	—	(2,487,272)	(2,487,272)
Net income	—	—	—	—	—	9,980,174	9,980,174
Balance – December 31, 2022	—	$ —	6,900,000	$ 690	$ 32,000	$ (9,469,643)	$ (9,436,953)

	Convertible Preferred Stock		Common Stock		Additional Paid-in	Subscription	Accumulated	Treasury Stock		Non-controlling	Tot Stockh
	Shares	Amount	Shares	Amount	Capital	Receivables	Deficit	Shares	Amount	Interest	Def
Balance as of January 1, 2023 (Predecessor)	21,257,708	$137,949	138,848,177	$ 14	$ 187,348	$ —	$ (474,839)	(22,821)	$ (23)	$ 17,087	$ (27
Net loss	—	—	—	—	—	—	(60,678)	—	—	—	(6
Stock-based compensation expense	—	—	—	—	—	—	—	—	—	3,235	
Debt extinguishment due to warrant modification	—	—	—	—	17,036	—	—	—	—	—	1
Balance as of July 21, 2023 (Predecessor)	21,257,708	$137,949	138,848,177	$ 14	$ 204,384	$ —	$ (535,517)	(22,821)	$ (23)	$ 20,322	$ (31
Balance as of July 22, 2023 (Successor)	—	$ —	37,159,600	$ 4	$ 377,498	$ (60,710)	$ (497,648)	—	$ —	$ —	$ (18
Net income	—	—	—	—	—	—	24,046	—	—	—	2
Stock-based compensation expense	—	—	—	—	3,766	—	—	—	—	—	
Balance as of December 31, 2023 (Successor)	—	$ —	37,159,600	$ 4	$ 381,264	$ (60,710)	$ (473,602)	—	$ —	$ —	$ (15
Balance as of January 1, 2022 (Predecessor)	21,257,708	$137,949	138,848,177	$ 14	$ 187,348	$ —	$ (422,283)	(22,821)	$ (23)	$ 11,120	$ (22
Net loss	—	—	—	—	—	—	(52,556)	—	—	—	(5
Stock-based compensation expense	—	—	—	—	—	—	—	—	—	5,967	
Balance as of December 31, 2022 (Predecessor)	21,257,708	$137,949	138,848,177	$ 14	$ 187,348	$ —	$ (474,839)	(22,821)	$ (23)	$ 17,087	$ (27

The

*See accompanying notes are an integral part of these to the consolidated financial statements.*statements

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PRIVETERRA ACQUISITION CORP.AEON BIOPHARMA, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands, except per share data)

	For the Year Ended December 31,	
	2022	2021
Cash Flows from Operating Activities:		
Net income	$ 9,980,174	$ 8,200,831
Adjustments to reconcile net income to net cash used in operating activities:		
Interest earned on investments held in Trust Account	(3,706,667)	(79,687)
Unrealized change in fair value of warrants liabilities	(6,715,041)	(10,712,133)
Gain on forgiveness of deferred underwriting fee payable	(3,767,400)	
Offering costs allocated to warrant liabilities	—	655,046
Changes in operating assets and liabilities:		
Prepaid assets	331,144	(372,430)
Franchise tax payable	321,366	200,000
Deferred tax liability	588,899	—
Accrued expenses	1,986,097	613,585
Net cash used in operating activities	(981,428)	(1,494,788)
Cash Flows from Investing Activities:		
Principal invested into Trust account	—	(276,000,000)
Withdraw from Trust Account	401,925	—
Net cash provided by (used in) investing activities	401,925	(276,000,000)
Cash Flows from Financing Activities:		
Proceeds from sale of Units, net of underwriter fee	—	270,480,000
Offering costs	—	(369,212)
Proceeds from issuance of Private Placement Warrants	—	7,820,000
Proceeds from working capital loans	—	100,000
Borrowing from promissory note	150,000	35,192
Repayment of promissory note	—	(73,780)
Net cash provided by financing activities	150,000	277,992,200
Net Change in Cash	(429,503)	497,412
Cash - Beginning of Year	497,412	—
Cash - End of Year	$ 67,909	$ 497,412
Supplemental Disclosure of Non-cash Financing Activities:		
Deferred underwriters' discount payable	$ —	$ 9,660,000
Conversion of Working Capital Loans to Private Placement Warrants	$ —	$ 100,000

The accompanying notes are an integral part of these consolidated financial statements.

	Year Ended December 31,

	2023		2022
	Predecessor	Successor	Predecessor
	January 1 to July 21	July 22 to December 31	January 1 to December 31
Cash flows from operating activities:			
Net (loss) income	$ (60,678)	$ 24,046	$ (52,556)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation	54	45	68
Write-off of deferred offering costs	—	—	331
Stock-based compensation expense	3,235	3,766	5,892
Change in fair value of convertible notes	19,359	—	4,416
Change in fair value of warrants	—	(2,318)	—
Change in fair value of embedded forward purchase agreements and derivative liabilities	11,789	8,366	—
Change in fair value of contingent consideration	—	(52,750)	—
Other	—	—	(3)
Changes in operating assets and liabilities:			
Prepaid expenses and other current assets	36	(693)	(66)
Accounts payable	(248)	(4,342)	6,613
Accrued expenses and other liabilities	4,736	(2,204)	(105)
Other assets and liabilities	(28)	3	(174)
Net cash used in operating activities	(21,745)	(26,081)	(35,584)
Cash flows from investing activities:			
Purchases of property and equipment	—	—	(306)
Net cash used in investing activities	—	—	(306)
Cash flows from financing activities:			
Proceeds from issuance of convertible notes	14,000	—	44,500
Repayment of convertible notes	—	—	(3,992)
Net cash provided by financing activities	14,000	—	40,508
Net (decrease) increase in cash	(7,745)	(26,081)	4,618
Cash at beginning of period	9,746	31,238	5,128
Cash at end of period	$ 2,001	$ 5,157	$ 9,746

See accompanying notes to the consolidated financial statements

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PRIVETERRA ACQUISITION CORP. AEON BIOPHARMA, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022 Note 1. Organization

NOTE 1 — ORGANIZATION AND BUSINESS OPERATION

Organization and General Description of Business

AEON Biopharma, Inc. (formerly known as Priveterra Acquisition Corp. (the; "AEON" or the "Company") is a blank check biopharmaceutical company focused on developing its proprietary botulinum toxin complex, ABP-450 (prabotulinumtoxinA) injection ("ABP-450"), for debilitating medical conditions. The Company is headquartered in Irvine, California.

On July 21, 2023 (the "Closing Date"), the Company completed the acquisition of AEON Biopharma Sub, Inc. (formerly known as AEON Biopharma, Inc.) ("Old AEON") pursuant to the definitive agreement dated December 12, 2022 (the "Business Combination Agreement"), as amended April 27, 2023, by and among Priveterra Acquisition Corp. ("Priveterra"), Priveterra's wholly-owned subsidiary, Priveterra Merger Sub, Inc., and Old AEON. Old AEON was incorporated in Delaware on November 17, 2020 in February 2012 under the name Alphaeon Corporation as a wholly-owned subsidiary of Strathspey Crown Holdings Group, LLC ("SCH"). The Company was formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses ("Business Combination").

On January 5, 2023, in connection with the Business Combination Proposal, a purposed shareholder of the Company filed a complaint in the United States District Court for the Southern District of New York, against the Company and its board of directors, alleging that the registration statement on Form S-4 filed on December 27, 2022 with the SEC omitted material information related to the Business Combination. Since the filing of the complaint, several purported shareholders of the Company have also sent demand letters to the Company's counsel, similarly alleging that the registration statement filed by the Company on December 27, 2022 with the SEC omitted material information related to the Business Combination and demanding that the Company, its board of directors and/or AEON make supplemental corrective disclosures addressing the alleged deficiencies.

On November 15, 2022 December 18, 2019, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") changed its name to "AEON Biopharma, Inc." On the Closing Date, Old AEON merged with Priveterra Merger Sub, Inc., with Old AEON surviving the merger as a Delaware corporation and wholly-owned subsidiary of Priveterra the Company. Also on the Closing Date, the Company changed its name from "Priveterra Acquisition Corp. The transactions contemplated by " to "AEON Biopharma, Inc." and is referred to herein as "AEON," or the Merger Agreement are intended "Company." Unless the context otherwise requires, references to serve as the Company's initial Business Combination. See Note 6 for further information.

The Company is an early stage and emerging growth company and, as such, the Company is subject to all of the risks associated with early stage and emerging growth companies.

As of December 31, 2022, the Company had not commenced any operations. All activity for the period from November 17, 2020, the Company's inception, through December 31, 2022, relates to the Company's formation and the initial public offering ("IPO"), described below, and identifying a target company for a business combination. The Company will not generate any operating revenues until after the completion of its initial Business Combination, at the earliest. The Company generates non-operating income in the form of interest income from the proceeds derived from the IPO and unrealized gains and losses on the change in fair value of it warrants. The Company has selected December 31 as its fiscal year end.

The Company's sponsor is Priveterra Sponsor, LLC, a Delaware limited liability company (the "Sponsor").

The Company received notice from Guggenheim Securities, LLC, on November 16, 2022 and Wells Fargo Securities, LLC on January 26, 2023, two of the underwriters in the initial public offering, resigning as financial advisors, terminating their financial advisor engagement and waiving any entitlement to any portion of the deferred underwriting commissions payable in connection with the Company's Initial Public Offering, for a total of $8,694,000 of the deferred fee as waived.

Financing

The registration statement for the Company's IPO was declared effective on February 8, 2021 (the "Effective Date"). On February 11, 2021, the Company consummated an IPO of 27,600,000 units at $10.00 per unit (the "Units"), which includes the full exercise by the underwriters of the over-allotment option to purchase an additional 3,600,000 Units, at $10.00 per Unit, generating gross proceeds of $276,000,000, which is discussed in Note 3.

Simultaneously with the closing of the IPO, the Company consummated the sale of 5,213,333 warrants (the "Private Placement Warrants"), at a price of $1.50 per warrant, which is discussed in Note 4. Each warrant entitles the holder to purchase one share of common stock at a price of $11.50 per share, generating gross proceeds of $7,820,000.

Transaction costs of the IPO amounted to $15,630,212 consisting of $5,520,000 of underwriting fees, $9,660,000 of deferred underwriting fees, and $450,212 of other offering costs. Of the transaction costs, $655,046 is included in offering costs on the statements of operations and $14,975,165 is included in equity.

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Trust Account

Following the closing of the IPO on February 11, 2021, $276,000,000 ($10.00 per Unit) from the net offering proceeds of the sale of the Units in the IPO and the sale of the Private Placement Warrants was placed in a trust account (the "Trust Account"), located in the United States with Continental Stock Transfer & Trust Company acting as trustee and will be invested in U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act of 1940, as amended ("Investment Company Act"), with a maturity of 185 days or less or in any open-ended investment company that holds itself out as a money market fund meeting the conditions of Rule 2a-7 of the Investment Company Act, as determined by the Company. Except with respect to interest earned on the funds held in the Trust Account that may be released "Priveterra" herein refer to the Company prior to pay its franchise and income tax obligations, if any, the proceeds from Closing Date.

Under the Company's IPO and the sale of the Private Placement Warrants will not be released from the Trust Account until the earliest of (i) the completion of initial Business Combination (ii) the redemption of the Company's public shares if Agreement, the Company does not complete an initial Business Combination within 24 months from the closing agreed to acquire all outstanding equity interests of the IPO, subject to applicable law, or (iii) the redemption of the Company's public shares properly submitted in connection with a stockholder vote to amend its amended and restated certificate of incorporation to modify the substance or timing of the Company's obligation to redeem 100% of its public shares if the Company has not consummated an initial business combination within 24 months from the closing of the IPO or with respect to any other material provisions relating to stockholders' rights or pre-initial Business Combination activity. The proceeds deposited in the Trust Account could become subject to the claims of the Company's creditors, if any, which could have priority over the claims of the Company's public stockholders.

In connection with the vote at the special meeting of stockholders held on February 10, 2023 (the "Special Meeting") the holders of 25,597,728 Old AEON for approximately 16,500,000 shares of Class A common stock, properly exercised their right to redeem their shares for cash at a redemption price of approximately $10.11 par value $0.0001 per share for an aggregate redemption amount of approximately $258,793,030.08, resulting in 2,002,272 shares of Class A ("common stock after redemptions. The trust account balance after the redemption payments are made will be $20,259,152.12.

Initial Business Combination

The Company will provide its public stock"), which Old AEON's stockholders with the opportunity to redeem all or a portion of their public shares upon the completion of the initial Business Combination either (i) in connection with a stockholder meeting called to approve the initial Business Combination or (ii) by means of a tender offer. The decision as to whether the Company will seek stockholder approval of a proposed initial Business Combination or conduct a tender offer will be made by the Company, solely in its discretion. The stockholders will be entitled to redeem their shares for a pro rata portion of the amount then on deposit received in the Trust Account (initially approximately $10.00 per share, plus any pro rata interest earned on the funds held in the Trust Account and not previously released to the Company to pay its tax obligations).

The form of shares of common stock subject to redemption are recorded at a redemption value and classified as temporary equity upon the IPO, in accordance with Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") Topic 480 "Distinguishing Liabilities from Equity." In such case, the Company will proceed with a Business

Combination if the Company has net tangible assets of at least $5,000,001 upon such consummation of a Business Combination and, if the Company seeks stockholder approval, a majority of the issued and outstanding shares voted are voted in favor of the Business Combination.

The Sponsor, officers and directors have agreed to (i) waive their redemption rights with respect to their founder shares and public shares in connection with the completion of the initial Business Combination, (ii) waive their redemption rights with respect to their founder shares and public shares in connection with a stockholder vote to approve an amendment to the Company's amended and restated certificate of incorporation, and (iii) waive their rights to liquidating distributions from the Trust Account with respect to their founder shares if the Company fails to complete the initial Business Combination within the Combination Period.

On December 12, 2022, the Company entered into a Business Combination Agreement (the "Business Combination Agreement") by and among the Company, Priveterra Merger Sub, Inc., a Delaware corporation ("Merger Sub"), and AEON Biopharma, Inc., a Delaware corporation ("AEON"). The Business Combination Agreement provides, among other things, that on the terms and subject to the conditions set forth therein, Merger Sub will merge with and into AEON, with AEON surviving as a wholly owned subsidiary of the Company (the consummation of the Merger and the other transactions contemplated by the Business Combination Agreement, collectively, the "Merger"). Upon In addition, following the closing of the Merger (the "Closing"), the Company certain AEON stockholders will change its name to "AEON Biopharma, Inc." The date on which the Closing actually occurs is hereinafter referred to as the "Closing Date."

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Liquidation

The Company will have 24 months from the closing of the IPO to complete the initial Business Combination (the "Combination Period"). However, if the Company is unable to complete the initial Business Combination within the Combination Period, the Company will (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem the public shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, including interest earned on the funds held in the Trust Account and not previously released to the Company to pay its taxes (less be issued up to $100,000 16,000,000 additional shares of interest to pay dissolution expenses), divided by the number of then outstanding public shares, which redemption will completely extinguish public stockholders' rights as stockholders (including the right to receive further liquidation distributions, if any), subject to applicable law, and (iii) as promptly as reasonably possible following such redemption, subject to the approval of the Company's remaining stockholders and the Company's board of directors, liquidate and dissolve, subject, in each case, to the Company's obligations under Delaware law to provide for claims of creditors and the requirements of other applicable law.

The Company's Sponsor has agreed that it will be liable to the Company if and common stock to the extent any claims by a third party for services rendered or products sold certain milestones are achieved.

Prior to the Closing, Priveterra shares were listed on Nasdaq as "PMGM." The post-Merger Company or a prospective target business with which common stock and warrants commenced trading on the Company has entered into a written letter of intent, confidentiality or similar agreement or business combination agreement, reduce the amount of funds in the Trust Account to below the lesser of (i) $10.00 per public share and (ii) the actual amount per public share held in the Trust Account as of the date of the liquidation of the Trust Account, if less than $10.10 per share due to reductions in the value of the trust assets, less taxes payable, provided that such liability will not apply to any claims by a third party or prospective target business who executed a waiver of any and all rights to the monies held in the Trust Account (whether or not such waiver is enforceable) nor will it apply to any claims NYSE American under the Company's indemnity of the underwriters of the Company's IPO against certain liabilities, including liabilities under the Securities Act of 1933, as amended (the "Securities Act") symbols "AEON" and "AEON

WS," respectively, on July 24, 2023. However, the Company has not asked its Sponsor to reserve See Note 3 Forward Merger for such indemnification obligations, nor has the Company independently verified whether its Sponsor has sufficient funds to satisfy its indemnity obligations and believe that the Company's Sponsor's only assets are securities of the Company. Therefore, the Company cannot assure that its Sponsor would be able to satisfy those obligations. additional details.

Liquidity Capital Resources and Going Concern

The Company's liquidity needs up to February 11, 2021 accompanying consolidated financial statements have been prepared on a basis that assumes the Company will continue as a going concern. The Company has experienced recurring losses from operations and has a net capital deficiency and negative cash flows from operations since its inception. As of December 31, 2023, the date Successor reported cash of the IPO, had been satisfied through a capital contribution from the Sponsor of $25,000 (see Note 5) for the founder shares $5.2 million and the loans under an unsecured promissory note from the Sponsor of $73,295 (see Note 5). In order to finance transaction costs in connection with a Business Combination, the Company's Sponsor or an affiliate of the Sponsor or certain of the Company's officers and directors may, but are not obligated to, provide the Company Working Capital Loans (see Note 5).

The Company's IPO was on February 11, 2021. As of December 31, 2022, the Company had $67,909 in its operating bank account, and working capital accumulated deficit of $2,874,594 (excluding taxes payable which is funded by earnings from the Trust Account) and has incurred and $473.6 million. The Company expects to incur losses and use cash in its operations for the foreseeable future. Any further development of ABP-450 for any indication, including the completion of the Phase 2 open-label extension study in migraine, any Phase 3 trials for migraine, and any additional significant costs studies in pursuit cervical dystonia, will require additional funding, which may not be available to us on reasonable terms, or at all. As a result of its financing and acquisition plans.

Additionally, the Company these conditions, management has until August 11, 2023 (originally February 11, 2023; see Note 10) to consummate a Business Combination. In connection with the Company's assessment of going concern considerations in accordance with FASB ASC Topic 205-40, "Presentation of Financial Statements– Going Concern," Management has determined concluded that the liquidity condition and mandatory liquidation, should a Business Combination not occur, and potential subsequent dissolution raises there is substantial doubt about the Company's ability to continue as a going concern. concern and to meet its obligations as they become due within one year after the date that these consolidated financial statements are issued.

The Company intends expects to complete seek additional funding in the form of equity financings or debt, however, there can be no assurance that such efforts will be successful or that, in the event that they are successful, the terms and conditions of such financing will be commercially acceptable. Furthermore, the use of equity as a Business Combination before source of financing would dilute existing shareholders.

The preparation of these consolidated financial statements does not include any adjustments that may result from the mandatory liquidation date. No outcome of this uncertainty. This basis of accounting contemplates the recovery of the Company's assets and the satisfaction of theCompany'sliabilitiesand commitmentsin the normal course of business and does not include any adjustments have been made to reflect the carrying possible future effects of the recoverability and classification of recorded asset amounts or amounts andclassification of assets or liabilities

that might be necessary should the Company be unable to continue as a going concern. If the Company is unable to obtain adequate capital, it could be forced to cease operations.

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The Company's future operations are highly dependent on a combination of factors, including (1) the success of its research and development programs; (2) the timely and successful completion of any additional financing; (3) the development of competitive therapies by other biotechnology and pharmaceutical companies; (4) the Company's ability to manage growth of the

organization; (5) the Company's ability to protect its technology and products; and, ultimately (6) regulatory approval and successful commercialization and market acceptance of its product candidates.

PRIVETERRA ACQUISITION CORP. Note 2. Summary of Significant Accounting Policies

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements are presented have been prepared in accordance with generally accepted accounting principles generally accepted in the United States of America ("U.S. GAAP") and pursuant to the rules and regulations of the SEC.

Principles of Consolidation

. The accompanying consolidated financial statements include the accounts of the Company and its controlled subsidiaries.

On July 21, 2023, AEON completed the Merger with Old AEON, with Old AEON surviving the merger as a wholly-owned subsidiary where of the Company, has the ability accounting acquirer. The transaction was accounted for as a forward merger asset acquisition.

Unless the context otherwise requires, the "Company," for periods prior to exercise control.

Emerging Growth Company

The Company is an "emerging growth company," as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act" Closing, refers to Old AEON, AEON Biopharma Sub, Inc. ("Predecessor"), and it may take advantage for the periods after the Closing, refers to AEON Biopharma, Inc., including AEON Biopharma Sub, Inc. ("Successor"). As a result of certain exemptions from various reporting requirements that are applicable to other public companies that the Merger, the results of operations, financial position and cash flows of the Predecessor and Successor are not emerging growth companies directly comparable. AEON Biopharma Sub, Inc. was deemed to be the predecessor entity. Accordingly, the historical financial statements of AEON Biopharma Sub, Inc. became the historical financial statements of the combined Company, upon the consummation of the Merger. As a result, the financial statements included in this report reflect (i) the historical operating results of AEON Biopharma Sub, Inc. prior to the Merger and (ii) the combined results of the Company, including but not limited to, not being required to comply AEON Biopharma Sub, Inc., following the Closing. The accompanying financial statements include a Predecessor period, which includes the period through July 21, 2023 concurrent with the independent registered public accounting firm attestation requirements of Section 404 of Merger, and a Successor period from July 22, 2023 through December 31, 2023. A black line between the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation Successor and Predecessor periods has been placed in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of the Company's consolidated financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out and in the tables to the notes to the consolidated financial statements to highlight the lack of using the extended transition period difficult or impossible because of the potential differences in accounting standards used. comparability between these two periods.

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires the Company's management to make estimates, judgments and assumptions that affect the amounts reported amounts in the financial statements and disclosures made in the accompanying notes. The Company's most significant estimates relate to the research and development accruals, valuation of common stock and related stock-based compensation, and the fair values of the contingent consideration, forward purchase agreements, in-process research and development, warrant liabilities, convertible notes, among others. Although the Company bases estimates on historical experience, knowledge of current events and actions it may undertake in the future, and on various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments over the carrying values of assets and liabilities, and disclosure of contingent assets and liabilities at this process may result in actual results differing materially from those estimated amounts used in the date preparation of the consolidated financial statements statements.

Segment Reporting

Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision-maker in making decisions regarding resource allocation and assessing performance. The Company provides segment financial information and results for its segments based on the reported amounts segregation of revenues and expenses during that its chief operating decision makers review for purposes of allocating resources and evaluating its financial performance.

As of December 31, 2023 and December 31, 2022, the reporting period. Company operates and manages its business as one operating and reportable segment.

Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the consolidated financial statements, which management considered in formulating its estimate, could change in the near term due to one or more future confirming events. Accordingly, the actual results could differ significantly from those estimates.

Cash Risk and Cash Equivalents Uncertainties

The Company considers all short-term investments with an original maturity is subject to risks common to early-stage companies in the pharmaceutical industry including, but not limited to, dependency on the clinical and commercial success of three months or less when purchased its current and any future product candidates, ability to be cash equivalents. The Company had approximately $68,000 and $497,000 in cash and did not have any cash equivalents as of December 31, 2022 and 2021. obtain regulatory

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Investments Held in Trust Account

The Company's portfolio of investments held in the Trust Account is comprised of U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act, with a maturity of 185 days or less, or investments in money market funds that invest in U.S. government securities, or a combination thereof. The Company classifies its U.S. Treasury and equivalent securities as held-to-maturity in accordance with ASC Topic 320 "Investments - Debt and Equity Securities." Held-to-maturity securities are those securities which the Company has the ability and intent to hold until maturity. Held-to-maturity treasury securities are recorded at amortized cost on the accompanying consolidated balance sheets and adjusted for the amortization or accretion of premiums or discounts.

Offering Costs associated with the Initial Public Offering

The Company complies with the requirements of the ASC 340-10-S99-1 and SEC Staff Accounting Bulletin ("SAB") Topic 5A - "Expenses of Offering". Offering costs consist principally of professional and registration fees incurred through the balance sheet date that are related to the Public Offering. Offering costs are charged to temporary equity or the consolidated statement of operations based on the relative value of the Public Warrants to the proceeds received from the Units sold upon the completion of the IPO. Accordingly, as of December 31, 2022, offering costs totaling $15,630,212 (consisting of $5,520,000 of underwriting discount, $9,660,000 of deferred underwriting discount, and $450,212 of other offering costs) were recognized with $655,046 which was allocated to the Public Warrants and Private Warrants, included in the consolidated statement of operations and $14,975,166 included in temporary equity.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash accounts in a financial institution, which, at times, may exceed the Federal Deposit Insurance Coverage limit of $250,000. The Company has not experienced losses on these accounts and management believes the Company is not exposed to significant risks on such accounts.

Class A Common Stock Subject to Possible Redemption

The Company accounts for its Class A common stock subject to possible redemption in accordance with the guidance in Accounting Standards Codification ("ASC") Topic 480 "Distinguishing Liabilities from Equity." Class A common stock subject to mandatory redemption (if any) is classified as a liability instrument and is measured at fair value. Conditionally redeemable Class A common stock (including Class A common stock that feature redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within the Company's control) is classified as temporary equity. At all other times, Class A common stock is classified as stockholders' equity. The Company's Class A common stock feature certain redemption rights that is considered to be outside of the Company's control and subject to the occurrence of uncertain future events. Accordingly, Class A common stock subject to possible redemption is presented at redemption value as temporary equity, outside of the stockholders' deficit section of the Company's consolidated balance sheets.

As of December 31, 2022 and 2021, the common stock subject to possible redemption reflected on the consolidated balance sheets are reconciled in the following table:

Gross proceeds from IPO	$ 276,000,000
Less:	
Proceeds allocated to Public Warrants	(11,408,000)
Class A common stock issuance costs	(14,975,165)
Plus:	
Accretion of carrying value to redemption value	26,383,165
Class A common stock subject to possible redemption, December 31, 2021	276,000,000
Plus:	
Accretion of carrying value to redemption value	2,487,272
Class A common stock subject to possible redemption, December 31, 2022	$ 278,487,272

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See Note 10 for the current amount held in the Trust Account and the ordinary shares currently subject to redemption following the Company's February 10, 2023 special meeting of shareholders to extend the Business Combination deadline date from February 11, 2023 to August 11, 2023.

Net Income Per Common Share

The Company complies with accounting and disclosure requirements of FASB ASC Topic 260, "Earnings Per Share". Net income per common share is computed by dividing net income by the weighted average number of shares of common stock outstanding for the period. The Company has two classes of common shares, which are referred to as Class A common stock and Class B common stock. Earnings and losses are shared pro rata between the two classes of stock. Private and public warrants to purchase 14,480,000 Class A common stock at $11.50 per share were issued on February 8, 2021. No warrants were exercised during the years ended December 31, 2022 and 2021. The calculation of diluted net income per common share does not consider the effect of the warrants issued in connection with the (i) IPO, (ii) exercise of over-allotment, and (iii) Private Placement since the exercise of the warrants are contingent upon the occurrence of future events. As of December 31, 2022 and 2021, the Company did not have any dilutive securities or other contracts that could, potentially, be exercised or converted into common stock and then share in the earnings of the Company. As a result, diluted net income per common share is the same as basic net income per common share for the periods. Accretion associated with the redeemable Class A common stock is excluded from earnings per share as the redemption value approximates fair value.

Below is a reconciliation of the net income per share of common stock:

	For the Year Ended December 31, 2022		For the Year Ended December 31, 2021	
	Class A	Class B	Class A	Class B
Basic and diluted net income per common share				
Numerator:				
Allocation of net income	$ 7,984,139	$ 1,996,035	$ 6,417,873	$ 1,782,958
Denominator				
Weighted-average shares outstanding	27,600,000	6,900,000	24,499,726	6,806,301
Basic and diluted net income per common share	$ 0.29	$ 0.29	$ 0.26	$ 0.26

Fair Value of Financial Instruments

The fair value of the Company's assets and liabilities, which qualify as financial instruments under FASB ASC 820, "Fair Value Measurements and Disclosures," approximates the carrying amounts represented in the consolidated balance sheets, primarily due to its short-term nature, other than the derivative warrant liability.

Derivative Financial Instruments

The Company evaluates its financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives in accordance with ASC Topic 815, "Derivatives and Hedging". Derivative instruments are recorded at fair value on the grant date and re-valued at each reporting date, with changes in the fair value reported in the consolidated statements of operations. Derivative assets and liabilities are classified in the consolidated balance sheets as current or non-current based on whether or not net-cash settlement or conversion of the instrument could be required within 12 months of the balance sheet date. The Company has determined the warrants are a derivative instrument.

Fair Value Measurements

Fair value is defined as the price that would be received for sale of an asset or paid for transfer of a liability, in an orderly transaction between market participants at the measurement date. GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). These tiers consist of:

- Level 1, defined as observable inputs such as quoted prices (unadjusted) for identical instruments in active markets;

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- Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active; and
- Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

Income Taxes

The Company accounts for income taxes under FASB ASC 740, "Income Taxes" ("ASC 740"). ASC 740 requires the recognition of deferred tax assets and liabilities for both the expected impact of differences between the consolidated financial statements and tax basis of assets and liabilities and for the expected future tax benefit to be derived from tax loss and tax credit carry forwards. ASC 740 additionally requires a valuation allowance to be established when it is more likely than not that all or a portion of deferred tax assets will not be realized. As of December 31, 2022 and December 31, 2021, the Company's deferred tax asset had a full valuation allowance recorded against it. Our effective tax rate was 8.1% and 0.0% for the year ended December 31, 2022 and for the period from November 17, 2020 (inception) to December 31, 2021, respectively. The effective tax rate differs from the statutory tax rate of 21% **for the year ended December 31, 2022, due to changes in Merger and Acquisition costs and the valuation allowance on the deferred tax assets.**

ASC 740 also clarifies the accounting for uncertainty in income taxes recognized in the Company's consolidated financial statements and prescribes a recognition threshold and measurement process for consolidated financial statements recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. ASC 740 also provides guidance on derecognition, classification, interest and penalties, accounting in interim period, disclosure and transition.

The Company recognizes accrued interest and penalties related to unrecognized tax benefits as income tax expense. There were no unrecognized tax benefits and no amounts accrued for interest and penalties as of December 31, 2022 and 2021. The Company is currently not aware of any issues under review that could result in significant payments, accruals or material deviation from its position.

The Company has identified the United States and Florida State as its only significant tax jurisdictions.

The Company may be subject to potential examination by federal and state taxing authorities in the areas of income taxes. These potential examinations may include questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions and compliance with federal and state tax laws. The Company's management does not expect that the total amount of unrecognized tax benefits will materially change over the next twelve months.

Risks and Uncertainties

Management continues to evaluate the impact of the COVID-19 pandemic on the industry and has concluded that while it is reasonably possible that the virus could have a negative effect on the Company's financial position, results of its operations and/or search for a target company, the specific impact is not readily determinable as of the date of these consolidated financial statements. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

In February 2022, the Russian Federation and Belarus commenced a military action with the country of Ukraine. As a result of this action, various nations, including the United States, have instituted economic sanctions against the Russian Federation and Belarus. Further, the impact of this action and related sanctions on the world economy are not determinable as of the date of these consolidated financial statements. The specific impact on the Company's financial condition, results of operations, and cash flows is also not determinable as of the date of these consolidated financial statements.

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Inflation Reduction Act of 2022

On August 16, 2022, the Inflation Reduction Act of 2022 (the "IR Act") was signed into federal law. The IR Act provides for, among other things, a new U.S. federal 1% excise tax on certain repurchases of stock by publicly traded U.S. domestic corporations and certain U.S. domestic subsidiaries of publicly traded foreign corporations occurring on or after January 1, 2023. The excise tax is imposed on the repurchasing corporation itself, not its shareholders from which shares are repurchased. The amount of the excise tax is generally 1% of the fair market value of the shares repurchased at the time of the repurchase. However, for purposes of calculating the excise tax, repurchasing corporations are permitted to net the fair market value of certain new stock issuances against the fair market value of stock repurchases during the same taxable year. In addition, certain exceptions apply to the excise tax. The U.S. Department of the Treasury (the "Treasury") has been given authority to provide regulations and other guidance to carry out and prevent the abuse or avoidance of the excise tax.

Any redemption or other repurchase that occurs after December 31, 2022, in connection with a Business Combination, extension vote or otherwise, may be subject to the excise tax. Whether and to what extent the Company would be subject to the excise tax in connection with a Business Combination, extension vote or otherwise would depend on a number of factors, including (i) the fair market value of the redemptions and repurchases in connection with the Business Combination, extension or otherwise, (ii) the structure of a Business Combination, (iii) the nature and amount of any "PIPE" or other equity issuances in connection with a Business Combination (or otherwise issued not in connection with a Business Combination but issued within the same taxable year of a Business Combination) and (iv) the content of regulations and other guidance from the Treasury. In addition, because the excise tax would be payable by the Company and not by the redeeming holder, the mechanics of any required payment of the excise tax have not been determined. The foregoing could cause a reduction in the cash available on hand to complete a Business Combination and in the Company's ability to complete a Business Combination.

Recent Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which requires entities to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. ASU 2016-13 also requires additional disclosures regarding significant estimates and judgments used in estimating credit losses, as well as the credit quality and underwriting standards of an entity's portfolio. The Company expects to adopt the provisions of this guidance on January 1, 2023. The adoption is not expected to have a material impact on the Company's consolidated financial statements.

Besides the above, the Company's management does not believe that any recently issued, but not yet effective, accounting standards, if currently adopted. Would have a material effect on the accompanying consolidated financial statements.

NOTE 3. INITIAL PUBLIC OFFERING

On February 11, 2021, the Company sold 27,600,000 Units, at a purchase price of $ 10.00 per Unit, which includes the full exercise by the underwriters of their option to purchase an additional 3,600,000 Units at $10.00 per Unit. Each Unit was sold at $10.00 and consisted of one share of Class A common stock, and one-third warrant to purchase one share of Class A common stock ("Public Warrant"). Each whole Public Warrant entitles the holder thereof to purchase one share of common stock at a

price of $11.50 per share, subject to adjustment. Each warrant will become exercisable on the later of 30 days after the completion of the initial Business Combination or 12 months after the closing of the Company's IPO on February 11, 2021 and will expire five years after the completion of the initial Business Combination, or earlier upon redemption or liquidation. (see Note 4).

The Company paid underwriting fees at the closing of the IPO of $5,520,000. As of February 11, 2021 an additional fee of $9,660,000 (see Note 6) was deferred and will become payable upon the Company's completion of an initial Business Combination. The deferred portion of the fee will become payable to the underwriters from the amounts held in the Trust Account solely in the event the Company completes its initial Business Combination.

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Warrants — Each whole warrant entitles the holder to purchase one Class A common stock at a price of $11.50 per share, subject to adjustment as discussed herein. In addition, if (x) the Company issue additional shares of Class A common stock or equity-linked securities for capital raising purposes in connection with the closing of the initial Business Combination at an issue price or effective issue price of less than $9.20 per share of Class A common stock (with such issue price or effective issue price to be determined in good faith by the Company's board of directors and, in the case of any such issuance to the initial stockholders or their affiliates, without taking into account any founder shares held by the initial stockholders or such affiliates, as applicable, prior to such issuance), (the "Newly Issued Price") (y) the aggregate gross proceeds from such issuances represent more than 60% of the total equity proceeds, and interest thereon, available for the funding of the initial Business Combination on the date of the consummation of the initial Business Combination (net of redemptions), and (z) the volume weighted average trading price of the Company's Class A common stock during the 20 trading day period starting on the trading day after the day on which the Company consummates its initial Business Combination (such price, the "Market Value") is below $9.20 per share, the exercise price of the warrants will be adjusted (to the nearest cent) to be equal to 115% of the higher of the Market Value and the Newly Issued Price, and the $18.00 per share redemption trigger price described under "— Redemption of warrants" will be adjusted (to the nearest cent) to be equal to 180% of the higher of the Market Value and the Newly Issued Price.

The warrants will become exercisable on the later of 12 months from the closing of the IPO or 30 days after the completion of its initial Business Combination, and will expire five years after the completion of the Company's initial Business Combination, at 5:00 p.m., New York City time, or earlier upon redemption or liquidation.

The Company has agreed that as soon as practicable, but in no event later than fifteen (15) business days after the closing of the initial Business Combination, it will use its best efforts to file with the SEC a registration statement for the registration, under the Securities Act, of the Class A common stock issuable upon exercise of the warrants. The Company will use its best efforts to cause the same to become effective and to maintain the effectiveness of such registration statement, and a current prospectus relating thereto, until the expiration or redemption of the warrants in accordance with the provisions of the warrant agreement. If a registration statement covering the Class A common stock issuable upon exercise of the warrants is not effective by the sixtieth (60th) business day after the closing of the initial Business Combination, warrant holders may, until such time as there is an effective registration statement and during any period when the Company will have failed to maintain an effective registration statement, exercise warrants on a "cashless basis" in accordance with Section 3(a)(9) of the Securities Act or another exemption. Notwithstanding the above, if the Company's Class A common stock are at the time of any exercise of a warrant not listed on a national securities exchange such that they satisfy the definition of a "covered security" under Section 18(b)(1) of the Securities Act, the Company may, at its option, require holders of public warrants who exercise their warrants to do so on a "cashless basis" in accordance with Section 3(a)(9) of the Securities Act and, in the event the Company so elect, it will not be required to file or maintain in effect a registration statement, and in the event the Company does not so elect, it will use its best efforts to register or qualify the shares under applicable blue sky laws to the extent an exemption is not available.

Once the warrants become exercisable, the Company may call the warrants for redemption for cash:

- in whole and not in part;
- at a price of $0.01 per warrant;
- upon not less than 30 days' prior written notice of redemption to each warrant holder (the "30-day redemption period")
- if, and only if, the closing price of the common stock equals or exceeds $18.00 per share (as adjusted for stock splits, stock capitalizations, reorganizations, recapitalizations and the like and for certain issuances of Class A common stock and equity-linked securities for capital raising purposes in connection with the closing of the initial Business Combination as described elsewhere in the IPO) for any 20 trading days within a 30-trading day period ending three business days before the Company sends to the notice of redemption to the warrant holders; and
- if the last sale price of the Class A common stock is less than $18.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like), the Private Placement Warrants must also be concurrently called for redemption on the same terms (except as described above with respect to a holder's ability to cashless exercise its warrants) as the outstanding public warrants, as described above.

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NOTE 4. PRIVATE PLACEMENT

Simultaneously with the closing of the IPO, the Sponsor purchased an aggregate of 5,213,333 Private Placement Warrants, at a price of $1.50 per Private Placement Warrant, for an aggregate purchase price of $7,820,000.

Each Private Placement Warrant was identical to the Public Warrants sold in the IPO, except that the Private Placement Warrants, so long as they are held by the Sponsor or its permitted transferees, (i) will not be redeemable by the Company, (ii) may not (including the Class A common stock issuable upon exercise of these warrants), subject to certain limited exceptions, be transferred, assigned or sold by the holders until 30 days after the completion of the Company's initial Business Combination, and (iii) may be exercised by the holders on a cashless basis. The Company's Sponsor has agreed to (i) waive its redemption rights with respect to its founder shares and public shares in connection with the completion of the Company's initial Business Combination, (ii) waive its redemption rights with respect to its founder shares and public shares in connection with a stockholder vote to approve an amendment to the Company's amended and restated certificate of incorporation (A) to modify the substance or timing of the Company's obligation to redeem 100% of its public shares if the Company does not complete its initial Business Combination within 18 months (or up to 24 months if the Company extends the period of time) from the closing of the Company's IPO on February 11, 2021 or (B) with respect to any other provision relating to stockholders' rights or pre-initial Business Combination activity and (iii) waive its rights to liquidating distributions from the Trust Account with respect to its founder shares if the Company fails to complete its initial Business Combination within 18 months (or up to 24 months if the Company extends the period of time) from the closing of the Company's IPO on February 11, 2021. In addition, the Company's Sponsor has agreed to vote any founder shares held by them and any public shares purchased during or after the Company's IPO (including in open market and privately negotiated transactions) in favor of the Company's initial Business Combination.

NOTE 5. RELATED PARTY TRANSACTIONS

Founder Shares

On December 17, 2020, the Sponsor paid $25,000, or approximately $0.004 per share, to cover certain offering costs in consideration for 5,750,000 Class B common stock, par value $0.0001 (the "Founder Shares). On February 8, 2021, as part of an upsizing of the IPO, the Company effected a stock split in which each issued share of Class B Common Stock that was

outstanding was converted into one and two tenths shares of Class B common stock, resulting in an aggregate of 6,900,000 shares of Class B common stock issued and outstanding. All shares and associated amounts have been retroactively restated to reflect the surrender of these shares. The founder shares included an aggregate of up to 900,000 shares subject to forfeiture if the over-allotment option was not exercised by the underwriters in full. As a result of the underwriters' election to fully exercise of their over-allotment option, the 900,000 shares were no longer subject to forfeiture.

The initial stockholders have agreed not to transfer, assign or sell any of their Founder Shares and any Class A common stock issuable upon conversion thereof until the earlier to occur of: (A) one year after the completion of the initial Business Combination and (B) the date following the completion of the initial Business Combination on which the Company completes a liquidation, merger, capital stock exchange or other similar transaction that results in all of its stockholders having the right to exchange their common stock for cash, securities or other property (the "lock-up"). Notwithstanding the foregoing, if the closing price of the Company's Class A common stock equals or exceeds $12.00 per share (as adjusted for stock splits, stock capitalizations, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 180 days after the initial Business Combination, the founder shares will be released from the lockup.

Promissory Note – Related Party

On December 17, 2020, the Sponsor agreed to loan the Company up to $75,000 to be used for a portion of the expenses of the IPO. On January 13, 2021, the Sponsor agreed to loan the Company up to an additional $50,000 to be used for a portion of the expenses of the IPO. These loans are non-interest bearing, unsecured and were due at the earlier of June 30, 2021 or the closing of the IPO. The loan was repaid upon the closing of the IPO out of the offering proceeds. As of December 31, 2022 and 2021, the Company had no amounts outstanding borrowings under the promissory note. Additionally, this note is no longer available to the Company.

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On November 28, 2022, the Sponsor issued the Promissory Note to the Company, pursuant to which the Company was entitled to borrow up to an aggregate principal amount of $150,000 (the "Second Note"). The Promissory Note is non-interest bearing and payable on the earlier of the date on which the Company consummates a Business Combination or the date that the winding up of the Company is effective. In the month of December, the Sponsor deposited a total of $150,000 of such funds in the operating account. As of December 31, 2022 and December 31, 2021, the outstanding principal balance under the Promissory Notes amounted to an aggregate of $150,000 and $0, respectively.

Working Capital Loans

The Sponsor or an affiliate of the Sponsor, or certain of the Company's officers and directors may, but are not obligated to, loan the Company funds as may be required ("Working Capital Loans"). If the Company completes the initial Business Combination, the Company would repay the Working Capital Loans. In the event that the initial Business Combination does not close, the Company may use a portion of the working capital held outside the Trust Account to repay the Working Capital Loans but no proceeds from the Trust Account would be used to repay the Working Capital Loans. Up to $1,500,000 of such Working Capital Loans may be convertible into Private Placement Warrants at a price of $1.50 per warrant at the option of the lender (the "Working Capital Warrants"). Such warrants would be identical to the Private Placement Warrants. In June 2021 the Company had $100,000 of Working Capital Loans outstanding which were converted into 66,667 Working Capital Warrants. As of December 31, 2022 and 2021, the Company had no borrowings under the Working Capital Loans.

Administrative Service Fee

The Company has agreed, commencing on February 8, 2021, to pay $25,000 per month for administrative and other services, of which $10,000 per month will be paid to the Sponsor for office space and administrative services provided to members of the

management team and up to $15,000 will be used to compensate the Company's Chief Operating Officer and Chief Financial Officer and Secretary for a portion of their time spent on the Company's affairs. Upon completion of the Company's Business Combination or the Company's liquidation, the Company will cease paying these monthly fees. For the year ended December 31, 2022, $300,000 was recognized in the consolidated statements of operations and has been paid. For the year ended December 31, 2021, $266,964 was recognized in the consolidated statements of operations and has been paid.

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NOTE 6. COMMITMENTS AND CONTINGENCIES

Underwriters Agreement

The underwriters are entitled to a deferred fee of $0.35 per Unit, or $9,660,000 in the aggregate. The deferred fee will become payable to the underwriters from the amounts held in the Trust Account solely in the event that the Company completes a Business Combination, subject to the terms of the underwriting agreement. On November 16, 2022, the Company and one of the underwriters executed a waiver letter confirming the underwriter's waiver of its deferred fee under the terms of the underwriting agreement. As a result, the Company recognized a gain of $3,767,400 in relation to the waiver of the deferred underwriter fee allocated to the underwriter in the accompanying consolidated financial statements. As of December 31, 2022 and 2021, the deferred underwriting fee payable is $5,892,600 and $9,660,000, respectively.

On January 23, 2023, the Company and a second underwriter executed a waiver letter confirming the underwriter's waiver of its deferred fee under the terms of the underwriting agreement which represents and additional $4,636,800 of the deferred fee as waived.

Registration Rights

The holders of the founder shares, Private Placement Warrants, and warrants that may be issued upon conversion of Working Capital Loans will have registration rights to require the Company to register a sale of any of its securities held by them pursuant to a registration rights agreement to be signed in connection with the Company's IPO. These holders will be entitled to make up to three demands, excluding short form registration demands, that the Company registers such securities for sale under the Securities Act. In addition, these holders will have "piggy-back" registration rights to include their securities in other registration statements filed by the Company.

Business Combination Agreement

On December 12, 2022, the Company entered into a business combination agreement (the "Business Combination Agreement") by and among the Company, Priveterra Merger Sub, Inc., a Delaware corporation ("Merger Sub"), and AEON Biopharma, Inc., a Delaware corporation ("AEON"). The Business Combination Agreement provides, among other things, that on the terms and subject to the conditions set forth therein, Merger Sub will merge with and into AEON, with AEON surviving as a wholly owned subsidiary of the Company (the "Merger"). Upon the closing of the Merger (the "Closing"), the Company will change its name to "AEON Biopharma, Inc." The date on which the Closing actually occurs is hereinafter referred to as the "Closing Date."

Pursuant to the Business Combination Agreement, at the effective time of the Merger, each option, whether vested or unvested, exercisable for AEON equity that is outstanding immediately prior to the effective time of the Merger shall be assumed by the Company and continue in full force and effect on the same terms and conditions as are currently applicable to such options, subject to adjustments to exercise price and number of shares of Class A Common Stock issued upon exercise.

Under the Business Combination Agreement, the Company will acquire all of the outstanding equity interests of AEON (including equity interests issued upon conversion of the outstanding convertible notes of AEON) in exchange for shares of the Company's Class A common stock, par value $0.0001 per share (the "Class A Common Stock"), based on an implied AEON equity value of $165,000,000, to be paid to AEON stockholders at the effective time of the Merger, except that 809,000 shares of the Company's Class A Common Stock otherwise issuable as merger consideration shall be held back to satisfy the exercise of certain of AEON's convertible notes upon the maturity thereof. For more information regarding the Business Combination Agreement, please see our Current Report on Form 8-K filed on December 12, 2022, and our registration statement Amendment No. 1 to Form S-4 filed on February 9, 2023.

NOTE 7. STOCKHOLDERS' DEFICIT

Preferred Stock **— The Company is authorized to issue a total of 1,000,000 preferred shares at par value of $0.0001 each. At December 31, 2022 and 2021, there were no shares of preferred stock issued or outstanding.**

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Class A Common Stock**—The Company is authorized to issue 280,000,000 shares of Class A common stock with a par value of $0.0001 per share. As of December 31, 2022 and 2021, there were no shares of Class A common stock issued or outstanding (excluding 27,600,000 shares subject to redemption), respectively.**

Class B Common Stock **— The Company is authorized to issue 20,000,000 shares of Class B common stock with a par value of $0.0001 per share. Holders are entitled to one vote for each share of Class B common stock. At December 31, 2022 and 2021, there were 6,900,000 shares of Class B common stock issued and outstanding.**

Holders of Class A common stock and holders of Class B common stock will vote together as a single class on all matters submitted to a vote of the Company's stockholders except as required by law. Unless specified in the Company's amended and restated certificate of incorporation, or as required by applicable provisions of the Delaware state law or applicable stock exchange rules, the affirmative vote of a majority of the Company's shares of common stock that are voted is required to approve any such matter voted on by its stockholders.

The Class B common stock will automatically convert into Class A common stock concurrently with or immediately following the consummation of the initial Business Combination on a one-for-one basis, subject to adjustment for stock splits, stock dividends, reorganizations, recapitalizations and the like, and subject to further adjustment as provided herein. In the case that additional shares of Class A common stock or equity-linked securities are issued or deemed issued in connection with the initial Business Combination, the number of Class A common stock issuable upon conversion of all founder shares will equal, in the aggregate, on an as-converted basis, 20% of the total number of Class A common stock outstanding after such conversion (after giving effect to any redemptions of Class A common stock by public stockholders), including the total number of Class A common stock issued, or deemed issued or issuable upon conversion or exercise of any equity-linked securities or rights issued or deemed issued, by the Company in connection with or in relation to the consummation of the initial Business Combination, excluding any Class A common stock or equity-linked securities exercisable for or convertible into Class A common stock issued, or to be issued, to any seller in the initial Business Combination and any Private Placement Warrants issued to the Sponsor, officers or directors upon conversion of Working Capital Loans; provided that such conversion of founder shares will never occur on a less than one-for-one basis.

NOTE 8. RECURRING FAIR VALUE MEASUREMENTS

At December 31, 2022 and 2021, the Company's warrant liability was valued at $669,759 and $7,384,800, respectively. Under the guidance in ASC 815-40 the Warrants do not meet the criteria for equity treatment. As such, the Warrants must be recorded on

the balance sheet at fair value. This valuation is subject to re-measurement at each balance sheet date. With each re-measurement, the warrant valuation will be adjusted to fair value, with the change in fair value recognized in the Company's consolidated statement of operations.

The Company's warrant liability for the Private Placement Warrants is based on a valuation model utilizing inputs from observable and unobservable markets with less volume and transaction frequency than active markets. The fair value of the Private Warrant liability classified within Level 3 of the fair value hierarchy.

The Company's warrant liability for the Public Warrants is based on unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access. The fair value of the Public Warrant liability is classified within Level 2 of the fair value hierarchy. The Company classifies its U.S. Treasury and equivalent securities as held-to-maturity in accordance with ASC Topic 320 "Investments - Debt and Equity Securities." Held-to-maturity securities are those securities which the Company has the ability and intent to hold until maturity. Held-to-maturity treasury securities are recorded at amortized cost on the accompanying consolidated balance sheets and adjusted for the amortization or accretion of premiums or discounts.

At December 31, 2022, assets held in the Trust Account were comprised of $4,858 in cash and $279,379,571 in U.S. Treasury Bills. The sum of the cash held in trust and the U.S. Treasury bills total the consolidated Balance sheet balance of $279,384,429. During the period ended December 31, 2022, the Company withdrew $401,925 in interest income from the Trust Account for tax obligation purposes.

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At December 31, 2021 approval of its current and any future product candidates, the need for substantial additional financing to achieve its goals, uncertainty of broad adoption of its approved products, if any, by physicians and patients and significant competition.

The Company relies on Daewoong Pharmaceutical Co., assets held in Ltd. ("Daewoong"), a South Korean pharmaceutical manufacturer, as an exclusive and sole supplier to manufacture the Trust Account were comprised Company's source material for product candidates. Any termination or loss of $52 in cash significant rights, including exclusivity, under the Company's license and $276,079,635 in U.S. Treasury Bills. The sum supply agreement with Daewoong (the "Daewoong Agreement") would materially and adversely affect the Company's commercialization of its products. See Note 7 Commitments and Contingencies for a discussion of the cash held in trust Daewoong Agreement.

Property and the U.S. Treasury bills total the consolidated Balance sheet balance of $276,079,687 in U.S. Treasury Bills. During the year ended December 31, 2021, the Company did not withdraw interest income from the Trust Account.

Property and equipment are carried at cost less accumulated depreciation and amortization. The following table presents information about cost of property and equipment is depreciated over the estimated useful lives of the respective assets. The Company's gross holding gains furniture and fair value of held-to-maturity securities at December 31, 2022 and 2021:

	Held-To-Maturity	Level	Amortized Cost	Gross Holding Gain	Fair Value
December 31, 2022	U.S. Treasury Bill (Matures on 01/05/2023)	1	$ 279,339,034	$ 40,537	$ 279,379,571
December 31, 2021	U.S. Treasury Bill (Matures on 01/06/2022)	1	$ 276,079,635	$ 1,273	$ 276,080,908

The following table presents information about the Company's liabilities that were measured at fair value fixtures are depreciated on a recurring straight-line basis over a period of seven years. Equipment is depreciated over a useful life of five years. Leasehold improvements are amortized over the lesser of the estimated useful life of the asset or the related lease term. Property and equipment, net, as of December 31, 2022 and indicates December 31, 2023 are as follows (in thousands):

	Successor December 31, 2023	Predecessor December 31, 2022
Furniture and fixtures	$ 199	$ 199
Equipment	237	237
Leasehold improvements	66	66
Property and equipment	502	502
Accumulated depreciation	(170)	(71)
Property and equipment, net	$ 332	$ 431

Other Accrued Expenses

Other accrued expenses were as follows (in thousands):

	December 31, 2023 Successor	2022 Predecessor
Legal expenses	$ 1,867	$ —
Excise tax liability	569	—
Operating lease liability - short term portion	278	257
Daewoong vial usage	33	202
Remaining other accrued expenses	843	281
Total other accrued expenses	$ 3,590	$ 740

Convertible Notes (Predecessor)

The Company elected to account for its Predecessor convertible promissory notes at fair value at inception and at each subsequent reporting date. Subsequent changes in fair value were recorded as a component of non-operating loss in the Predecessor's consolidated statements of operations and comprehensive (loss) income or as a component of other comprehensive (loss) income for changes related to instrument-specific credit risk. As a result of electing the fair value hierarchy option, direct costs and fees related to the convertible promissory notes are expensed as incurred. The convertible promissory notes were converted into shares of the valuation techniques Company's common stock at the Company utilized to determine such fair value. Closing.

Contingent Consideration (Successor)

	Level 1	Level 2	Level 3
Liabilities:			
Private Placement Warrants	$ —	$ —	$ 250,239
Public Warrants	$ —	$ 419,520	$ —

The following table presents information about the Company's liabilities that were measured at fair value on a recurring basis as of December 31, 2021 and indicates the fair value hierarchy of the valuation techniques the Company utilized to determine such fair value.

	Level 1	Level 2	Level 3
Liabilities:			
Private Placement Warrants	**$ —**	**$ —**	**$ 2,692,800**
Public Warrants	**$ 4,692,000**	**$ —**	**$ —**

Measurement

The Company established the initial fair value accounts for the Warrants its contingent consideration as either equity-classified or liability-classified instruments based on February 11, 2021, the date an assessment of the consummation of the Company's IPO using a Monte Carlo simulation model to value the Public Warrants Contingent Consideration Shares specific terms (as further defined in Note 6) and a modified Black-Scholes model to value the Private Placement Warrants. The Warrants were initially classified within Level 3 of the fair value hierarchy due to the use of unobservable inputs. In April 2021, the Public Warrants began trading in the open market and were reclassified to Level 1. On December 31, 2022 and 2021, the fair value was remeasured. At December 31, 2022 and 2021, the Company used a Monte Carlo simulation and modified Black-Scholes model, respectively, to value the Private Placement Warrants. The Public Warrants were previously classified as Level 3 due to the lack of an observable market price for the warrants and initially valued using the Black-Scholes Option Pricing Model. Public Warrants were transferred to a level 2 due to the lack of an active market as of September 30, 2022 and continue to be included in level 2 as of December 31, 2022, and the presence of observable inputs in surrounding periods for the same instrument.
The Private Placement Warrants were classified within Level 3 of the fair value hierarchy at the measurement date due to the use of unobservable inputs. The Company's Private Placement Warrant liability is based on a valuation model utilizing management judgment and pricing inputs from observable and unobservable markets with less volume and transaction frequency than active markets. Significant deviations from these estimates and inputs could result in a material change in fair value. applicable authoritative guidance

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PRIVETERRA ACQUISITION CORP. in ASC 480, Distinguishing Liabilities from Equity ("ASC 480") and ASC 815, Derivatives and Hedging ("ASC 815"). Based on the appropriate guidance, the Company determined that the Contingent Consideration Shares would be classified as a liability on the Successor's consolidated balance sheets and remeasured at each reporting period with changes to fair value recorded to the Successor's consolidated statements of operations and comprehensive (loss) income.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *Forward Purchase Agreements (Successor)*

DECEMBER 31, 2022 Based on the applicable guidance in ASC 480, ASC 815, ASC 505, Equity ("ASC 505") and Staff Accounting Bulletin Topic 4.E, Receivables from Sale of Stock ("SAB 4E"), the Company has determined that each of its forward purchase agreements entered in connection with the Merger is a freestanding hybrid financial instrument comprising a subscription receivable and embedded features, which have been bifurcated and accounted for separately as derivative instruments. The Company has recorded the derivatives as liabilities and measured them at fair value with the initial value of the derivative recorded as a loss "on the line" in the Successor's opening accumulated deficit. On the line describes those transactions triggered by the consummation of the Merger that are not recognized in the consolidated financial statements of the Predecessor or the Successor as they are not directly attributable to either period but instead were contingent on the Merger. For more information, see Note 3 Forward Merger. Subsequent changes in the bifurcated derivatives are recorded in the Successor's consolidated statements of operations and comprehensive (loss) income.

Warrants (Successor)

The Company accounts for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance in ASC 480 and ASC 815. The assessment considers whether the warrants are freestanding financial instruments and meet all of the requirements for equity classification, including whether the warrants are indexed to the Company's own shares of common stock, among other conditions for equity classification. This assessment is conducted at the time of warrant issuance and as of each subsequent quarterly period end date while the

warrants are outstanding. For issued or modified warrants that meet all of the criteria for equity classification, the warrants are required to be recorded as a component of additional paid-in capital at the time of issuance. For issued or modified warrants that do not meet all the criteria for equity classification, the warrants are required to be recorded at their initial fair value on the date of issuance, and each balance sheet date thereafter until settlement. Changes in the estimated fair value of the warrants are recognized in the Successor's consolidated statements of operations and comprehensive (loss) income.

Convertible Preferred Stock (Predecessor)

The Company recorded its Predecessor convertible preferred stock at their respective issuance price, less issuance costs on the dates of issuance. The convertible preferred stock is classified outside of permanent equity as temporary equity in the accompanying Predecessor's consolidated balance sheets. Although the convertible preferred stock is not redeemable at the holder's option, upon certain change in control events that are outside of the Company's control, including liquidation, sale or transfer of control of the Company, holders of the convertible preferred stock may have the right to receive their liquidation preference to any distribution of the proceeds under the terms of the Company's amended and restated certificate of incorporation. The Company has not adjusted the carrying values of the convertible preferred stock to the liquidation preferences of such shares since it is uncertain whether or when a redemption event will occur. Subsequent adjustments to increase the carrying values to the redemption values will be made only when it becomes probable that such redemption will occur. As part of the Merger, each share of Old AEON common stock issued with respect to the Old AEON convertible preferred stock was converted into approximately 2.328 shares of common stock and the right to receive a pro-rata portion of the contingent consideration.

Fair Value of Financial Instruments

Fair value is defined as the exchange price that would be received for an asset or an exit price paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs.

Fair value measurements are based on a three-tiered valuation hierarchy, which is classified and disclosed by the Company in one of the three categories as follows:

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- Level 1 — Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
- Level 2 — Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities in active markets; quoted prices in markets that are not active; or other inputs that are observable, either directly or indirectly, or can be corroborated by observable market data for substantially the full term of the asset or liability; and
- Level 3 — Prices or valuation techniques that require unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The categorization of a financial instrument within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Leases

The Company determines whether a contract is, or contains, a lease at inception. Right-of-use ("ROU") assets represent the Company's right to use an underlying asset during the lease term, and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at lease commencement based upon the estimated present value of unpaid lease payments over the lease term using the Company's incremental borrowing

rate applicable to the underlying asset unless the implicit rate is readily determinable. The Company determines the lease term as the noncancellable period of the lease, and may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Leases with a term of 12 months or less are not recognized on the balance sheets.

Research and Development Expenses

Research and development costs are expensed as incurred. Research and development expenses consist primarily of costs associated with clinical studies including clinical trial design, clinical site reimbursement, data management, travel expenses and the cost of products used for clinical trials and internal and external costs associated with the Company's regulatory compliance and quality assurance functions, including the costs of outside consultants and contractors that assist in the process of submitting and maintaining regulatory filings, and overhead costs. Additionally, research and development expenses include employee compensation, including stock-based compensation, supplies, consulting, prototyping, testing, materials, travel expenses and an allocation of facility overhead expenses. Costs incurred in obtaining technology licenses are charged to acquired in-process research and development ("IPR&D") if the technology licensed has not reached technological feasibility and has no alternative future use. The acquired IPR&D recorded at the Closing was recorded "on the line" in the Successor's opening accumulated deficit.

The Company accrues the expenses for its clinical trial activities performed by third parties, including clinical research organizations and other service providers, based upon estimates of the work completed over the life of the individual study in accordance with associated agreements. The Company determines these estimates through discussion with internal personnel and outside service providers as to progress or stage of completion of trials or services pursuant to contracts with clinical research organizations and other service providers and the agreed-upon fee to be paid for such services. Payments made to outside service providers in advance of the performance of the related services are recorded as prepaid expenses and other current assets until the services are rendered. There have been no material adjustments to the Company's estimates for clinical trial expenses through December 31, 2022 (Predecessor) and December 31, 2023 (Successor).

Stock-Based Compensation

The Company recognizes compensation expense for all share-based awards. The Company accounts for stock-based compensation as measured at grant date, based on the fair value of the award. The Company measures the fair value of awards granted using the Black-Scholes option pricing model, which requires the input of subjective assumptions, including the estimated fair value of common stock, the expected volatility of the Company's common stock, expected risk-free interest rate, and the option's expected life. The Company also evaluates the impact of modifications made to the original terms of equity awards when they occur.

The fair value of equity awards that are expected to vest is amortized on a straight-line basis over the requisite service period. Stock-based compensation expense is recognized net of actual forfeitures when they occur, as an increase to additional paid-in capital or noncontrolling interest in the consolidated balance sheets and in selling, general and administrative or research and development

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expenses in the consolidated statements of operations and comprehensive (loss) income. All stock-based compensation costs are recorded in the consolidated statements of operations and comprehensive (loss) income based upon the underlying employee's role within the Company.

Noncontrolling Interest (Predecessor)

ABP Sub Inc., the Predecessor's wholly owned subsidiary, granted stock options to certain employees and nonemployee consultants of ABP Sub Inc. The Company accounts for stock-based compensation expense recognized by ABP Sub Inc. as an increase in noncontrolling interest in the accompanying consolidated financial statements. At the Closing, all such shares were either canceled or converted into AEON shares. See Note 11 Share-based Compensation for more information.

Income Taxes

The Company accounts for income taxes under the asset and liability method, which requires, among other things, that deferred income taxes be provided for temporary differences between the tax basis of the Company's assets and liabilities and their financial statement reported amounts. In addition, deferred tax assets are recorded for the future benefit of utilizing net operating losses and research and development credit carryforwards and are measured using the enacted tax rates and laws that will be in effect when such items are expected to reverse. A valuation allowance is provided against deferred tax assets unless it is more likely than not that they will be realized.

The Company records uncertain tax positions on the basis of a two-step process whereby (i) it determines whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (ii) for those tax positions that meet the more-likely-than-not recognition threshold, it recognizes the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority.

The Company recognizes interest and penalties related to unrecognized tax benefits within the income tax expense line in the accompanying consolidated statements of operations and comprehensive (loss) income. Any accrued interest and penalties related to uncertain tax positions will be reflected as a liability in the consolidated balance sheets.

Net Loss Per Share Attributable to Common Stockholders

Prior to the Merger, the Predecessor calculated basic and diluted net loss per share to common stockholders in conformity with the two-class method required for companies with participating securities. The Company considered all series of convertible preferred stock to be participating securities as they participate in any dividends declared by the Company. Under the two-class method, undistributed earnings allocated to these participating stockholders were subtracted from net income in determining net income attributable to common stockholders. Net loss attributable to common stockholders was not allocated to convertible preferred stock as the holders of convertible preferred stock did not have a contractual obligation to share in losses. Subsequent to the Merger, the Company only has one class of shares.

Basic net loss per share is computed by dividing the net loss attributable to common stockholders by the weighted average number of shares of common stock outstanding during the period, without consideration for potentially dilutive shares of common stock in Predecessor periods. For Predecessor periods, diluted net loss per share was computed by dividing the net loss attributable to common stockholders by the weighted average number of shares of common stock and potentially dilutive securities outstanding for the period using the "treasury stock," "if converted" or "two-class" method unless their inclusion would have been anti-dilutive. For purposes of the diluted net loss per share calculation, convertible preferred stock, warrants, convertible notes and common stock options were considered as potentially dilutive securities.

Since the Company was in a loss position for the periods from January 1, 2023 to July 21, 2023 (Predecessor) and for the twelve months ended December 31, 2022, basic net loss per share is the same as diluted net loss per share as the inclusion of all potentially dilutive common shares was anti-dilutive. For the periods from July 22, 2023 to December 31, 2023 (Successor), the impact of the

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The key inputs into options and non-vested RSU's were anti-dilutive, and as such, there was no difference between the valuation models weighted-average number of shares used to calculate basic and diluted earnings per share for the periods presented.

Basic and diluted net loss per share for the year ended December 31, 2022 was calculated as follows: follows (in thousands, except share and per share amounts):

Input	December 31, 2021	December 31, 2022
Risk-free interest rate	1.26 %	4.75 %
Expected term (years)	5.0	5.71
Expected volatility	10.50 %	9.8 %
Dividend rate	0.0 %	0.0 %
Exercise price	$ 11.50	$ 11.50
Market implied likelihood of Initial Business Combination	— %	8.9 %

Year ended December 31, 2022 (Predecessor)	
Net loss available to common stockholders	$ (52,556)
Weighted average common shares outstanding, basic and diluted	138,848,177
Net loss per share attributable to common stockholders, basic and diluted	$ (0.38)

Basic and diluted net loss per share for the periods from January 1, 2023 to July 21, 2023 (Predecessor) and July 22, 2023 to December 31, 2023 (Successor) were calculated as follows (in thousands, except share and per share amounts):

Period from January 1, 2023 to July 21, 2023 (Predecessor)	
Net loss available to common stockholders	$ (60,678)
Weighted average common shares outstanding, basic and diluted	138,848,177
Net loss per share attributable to common stockholders, basic and diluted	$ (0.44)

Period from July 22, 2023 to December 31, 2023 (Successor)	
Net income available to common stockholders	$ 24,046
Weighted average common shares outstanding, basic and diluted	37,159,600
Net income per share attributable to common stockholders, basic and diluted	$ 0.65

The following table provides potentially dilutive securities outstanding have been excluded from the computation of diluted weighted average shares outstanding because such securities have an anti-dilutive impact:

	December 31, 2023 Successor	December 31, 2022 Predecessor
Warrants	14,479,999	—
Contingent consideration	16,000,000	—
Contingent founder shares	3,450,000	—
Convertible preferred stock outstanding	—	21,257,708
Convertible preferred stock warrants outstanding	—	342,011
Common stock options and restricted stock units	4,888,537	9,694,890
	38,818,536	31,294,609

Contingencies

The Company may be, from time to time, a reconciliation party to various disputes and claims arising from normal business activities. The Company continually assesses litigation to determine if an unfavorable outcome would lead to a probable loss or reasonably possible loss which could be estimated. The Company accrues for all contingencies at the earliest date at which the Company deems it probable that a liability has been incurred and the amount of such liability can be reasonably estimated. If the estimate of a probable loss is a range and no amount within the range is more likely than another, the Company accrues the minimum of the range. In the cases where the Company believes that a reasonably possible loss exists, the Company discloses the facts and circumstances of the litigation, including an estimable range, if possible.

Recently Adopted Accounting Standards

In June 2016, the FASB issued an accounting standards update (ASU 2016-13) that amended the guidance on the measurement of credit losses on financial instruments. The guidance amended the impairment model by requiring entities to

use a forward-looking approach based on expected losses to estimate credit losses on certain financial instruments. In November 2019, the FASB issued an update to the guidance to defer the effective date for all entities except SEC filers that are not smaller reporting companies to fiscal years beginning after December 15, 2022, including interim periods within those years. The Predecessor adopted this standard in the

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first quarter of 2023. The adoption of this standard did not have an impact on the Company's consolidated financial statements or related disclosures.

In August 2020, the FASB issued an accounting standards update that simplified the accounting for certain financial instruments with characteristics of liabilities and equity by reducing the number of accounting models for convertible debt and convertible preferred stock instruments. It also amended the accounting for certain contracts in an entity's own equity that are currently accounted for as derivatives because of specific settlement provisions. In addition, the new guidance modified how particular convertible instruments and certain contracts that may be settled in cash or shares impact the diluted EPS computation. The guidance will be effective for the Company for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years, with early adoption permitted for fiscal years beginning after December 15, 2020 but only if the adoption is as of the beginning of a fiscal year. The Predecessor adopted this standard on January 1, 2023. The adoption of this standard did not have an impact on the Company's consolidated financial statements or related disclosures.

Other recent accounting pronouncements issued by the FASB, the American Institute of Certified Public Accountants, and the Securities and Exchange Commission (the "SEC") did not, or are not believed by management to, have a material impact on the Company's financial position, results of operations or cash flows.

Note 3. Forward Merger

On December 12, 2022, Old AEON and Priveterra entered into a Business Combination Agreement. On July 3, 2023, Priveterra held the special meeting of stockholders, at which the Priveterra stockholders considered and adopted, among other matters, a proposal to approve the transactions contemplated by the Business Combination Agreement, including the Merger. On July 21, 2023, the parties consummated the Merger. In connection with the Closing, Priveterra changed its name from Priveterra Acquisition Corp. to AEON Biopharma, Inc.

At the effective time of the Merger (the "Effective Time"), each outstanding share of Old AEON common stock (on an as-converted basis after taking into effect the conversion of the outstanding warrants of Old AEON exercisable for shares of Old AEON preferred stock, the conversion of the shares of Old AEON preferred stock into Old AEON common stock in accordance with the governing documents of Old AEON as of the Effective Time, the conversion of the outstanding convertible notes of Old AEON into Old AEON common stock in accordance with the terms of such convertible notes and after giving effect to the issuance of Old AEON common stock in connection with the merger of ABP Sub, Inc. with and into Old AEON) issued and outstanding immediately prior to the Effective Time converted into the right to receive approximately 2.328 shares of the Company's common stock and the right to receive a pro-rata portion of the contingent consideration. In addition, each share of Priveterra Class B common stock ("Founder Shares"), par value $0.0001 per share, issued and outstanding immediately prior to the Effective Time converted into one share of common stock totaling 6,900,000 common shares (of which 3,450,000 Founder Shares are subject to certain vesting and forfeiture conditions).

In connection with the Merger, on January 6, 2023, Priveterra and Old AEON entered into separate subscription agreements for convertible notes with each of Alphaeon 1 LLC ("A1") and Daewoong Pharmaceuticals Co., Ltd. ("Daewoong") (collectively, the "Original Committed Financing Agreements"), pursuant to which A1 and Daewoong agreed to purchase, and Priveterra and Old AEON agreed to sell to each of them, up to $15 million and $5 million, respectively, aggregate of principal of interim convertible notes or equity. Further, on June 8, 2023, Old AEON and Priveterra entered into a committed financing agreement

with A1 (the "Additional Committed Financing Agreement"), pursuant to which A1 agreed to purchase, and Priveterra and Old AEON agreed to sell to A1, up to an additional $20 million aggregate principal of interim convertible notes or equity. Pursuant to such agreement, Old AEON issued $14 million of interim convertible notes to A1 in the first and second quarters of 2023. The notes were subsequently measured at fair value under a fair value option election, with changes in fair value reported in earnings of the beginning Predecessor (Old AEON). Conversion of the notes was contingent and ending balances automatically convertible on the Merger, and 2,226,182 shares of Priveterra Class A common stock were issued on the Closing Date in settlement of their conversion. The proceeds from the interim convertible notes were used to fund Old AEON's operations through the consummation of the Merger. Additionally, approximately $25 million was received on the Closing Date in exchange for an aggregate of 3,571,429 shares of Priveterra Class A common stock at $7.00 per share that were issued under the Company's assets Original Committed Financing Agreements and liabilities classified as level 3 for Additional Committed Financing Agreements, and was reflected "on the years ended December 31, 2022 and 2021. line" in the Successor's opening accumulated deficit.

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Fair value at issuance February 11, 2021	$ 18,028,933
Public Warrants reclassified to level 1	(9,200,000)
Issuance of Private Placement Warrants upon conversion of Working Capital Loans	68,000
Change in fair value	(6,204,133)
Fair Value at December 31, 2021	$ 2,692,800

Fair Value at December 31, 2021	$ 2,692,800
Change in fair value	(2,442,561)
Fair Value at December 31, 2022	$ 250,239

NOTE 9. INCOME TAXES

On April 27, 2023, Priveterra and AEON amended the Business Combination Agreement. Concurrently with the amendment to the Business Combination Agreement, Priveterra amended the Sponsor Support Agreement to include restriction and forfeiture provisions related to the Founder Shares. See Note 6 Fair Value Measurements for additional information. The Company's net deferred tax assets are fair value of the contingent consideration at the Closing was valued to be $125.7 million, and is included in the purchase price. Additionally, the Successor assumed the Predecessor's 2019 Incentive Award Plan, and as follows: such, the fair value of the replacement awards of $13.3 million were included in purchase consideration, $11.5 million related to stock options and $1.8 million related to restricted stock units. See Note 11 Share-Based Compensation for additional information.

	December 31, 2022	December 31, 2021
Deferred tax assets		
Net operating loss carryforward	$ —	$ 25,360
Startup Costs	1,231,442	364,454
Unrealized gain/loss - Trust	(588,900)	—
Total deferred tax assets	642,542	389,814
Valuation allowance	(1,231,441)	(389,814)
Deferred tax assets, net of allowance	$ (588,899)	$ —

Asset Acquisition Method of Accounting

The Merger was accounted for using the asset acquisition method in accordance with U.S. GAAP. Under this method of accounting, Priveterra was considered to be the accounting acquirer based on the terms of the Merger. Upon consummation of the Merger, the cash on hand resulted in the equity at risk being considered insufficient for Old AEON to finance its activities without additional subordinated financial support. Therefore, Old AEON was considered a Variable Interest Entity ("VIE") and the primary beneficiary of Old AEON was treated as the accounting acquirer. Priveterra held a variable interest in Old AEON and owned 100% of Old AEON's equity. Priveterra was considered the primary beneficiary as it has the decision-making rights that gives it the power to direct the most significant activities. Also, Priveterra retained the obligation to absorb the losses and/or receive the benefits of Old AEON that could have potentially been significant to Old AEON. The Merger was accounted for as an asset acquisition as substantially all of the fair value was concentrated in IPR&D, an intangible asset. Old AEON's assets (except for cash) and liabilities were measured at fair value as of the transaction date. Consistent with authoritative guidance on the consolidation of a VIE that is not considered a business, differences in the total purchase price and fair value of assets and liabilities are recorded as a gain or loss to the consolidated statement of operations. The loss on the consolidation of the VIE is reflected "on the line" in the Successor's opening accumulated deficit.

Costs incurred in obtaining technology licenses are charged to research and development expense as IPR&D if the technology licensed has not reached technological feasibility and has no alternative future use. The IPR&D recorded at the Closing of $348.0 million is reflected "on the line" in the Successor's opening accumulated deficit. To estimate the value of the acquired IPR&D, the Company used a Multi-Period Excess Earnings Method under the Income Approach. The determination of the fair value requires management to make significant estimates including, but not limited to, the discount rate used, the total addressable market for each potential drug, market penetration assumptions, and the estimated timing of commercialization of the drugs. Changes in these assumptions could have a significant impact on the fair value of the IPR&D. The significant assumptions used in determining IPR&D was the discount rate of 25%, implied internal rate of return of 24.8% and long-term growth rate of 4%.

The following is a summary of the purchase price calculation (in thousands except share and per share data).

Number of shares issued as consideration in the Merger		16,500,000
Shares issued for interim convertible notes related to Committed Financing		2,226,182
Total number of shares of common stock of the combined company		18,726,182
Multiplied by the Priveterra share price, as of the Closing	$	10.84
Total	$	202,992
Fair value of contingent consideration		125,699
Replacement of share-based payment awards		13,331
Assumed liabilities		125
Total purchase price	$	342,147

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PRIVETERRA ACQUISITION CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022

The income tax provision for the years ended December 31, 2022 and 2021 consists allocation of the following: purchase price was as follows (in thousands).

	December 31, 2022	December 31, 2021
Federal		
Current	$ 230,537	$ —

Deferred	(119,370)	(389,814)
State		
Current	$ 63,893	$
Deferred	(133,358)	—
Change in valuation allowance	841,627	389,814
Provision for income taxes	$ 883,329	$ —

Cash	$ 2,001
Net working capital (excluding cash)	(16,182)
Other assets and liabilities	775
Acquired in-process research and development	348,000
Net assets acquired	334,594
Loss on consolidation of VIE	7,553
Total purchase price	$ 342,147

As of December 31, 2022 and 2021, the Company had $0 and $120,763, respectively, of U.S. federal and state net operating loss carryovers available to offset future taxable income.

In assessing the realization of the deferred tax assets, management considers whether it is more likely than not that some portion of all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which temporary differences representing net future deductible amounts become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. After consideration of all of the information available, management believes that significant uncertainty exists with respect to future realization of the deferred tax assets and has therefore established a full valuation allowance. For the years ended December 31, 2022 and 2021, the change in the valuation allowance was $841,627 and $389,814, respectively.

A reconciliation of the federal income tax rate to the Company's effective tax rate at December 31, 2022 and 2021 is as follows:

	December 31, 2022	December 31, 2021
Statutory federal income tax rate	21.0 %	21.0 %
State taxes, net of federal tax benefit	5.5 %	0.0 %
State tax credit	(0.1)%	0.0 %
Deferred tax liability change in rate	(0.9)%	0.0 %
Acquisition facilitative expenses	0.5 %	0.0 %
Penalties and interest	0.0 %	0.0 %
Offering costs	0.0 %	1.7 %
Change in fair value of warrant liability	(16.4)%	(27.4)%
Reduction in deferred underwriting fee	(9.2)%	0.0 %
Valuation allowance	7.7 %	4.7 %
Income tax provision	8.1 %	0.0 %

The Company files income tax returns in In connection with the U.S. federal jurisdiction in various state and local jurisdictions and is subject to examination by Merger, the various taxing authorities.

NOTE 10. SUBSEQUENT EVENTS

The Company evaluated subsequent events and transactions that occurred after concurrently with the balance sheets closing date up to of the date Merger were reflected "on the line". "On the line" describes those transactions triggered by the consummation of the Merger that the consolidated financial statements were issued. Based upon this review, the Company did are not identify any subsequent events that would have required adjustment or disclosure recognized in the consolidated financial statements other than of the Predecessor nor the Successor as described below.

On February 10, 2023, they are not directly attributable to either period but instead were contingent on the Merger. The opening cash balance in the Successor's consolidated statement of cash flow of $31.2 million consists of cash from Priveterra of $29.2 million and Old AEON $2.0 million. The number of shares of common stock issued and amounts recorded on the line within stockholders' deficit are reflected below to arrive at the special meeting of stockholders opening consolidated balance sheet of the Company, stockholders Successor.

		Common shares	Common stock amount	Subscription Receivable	APIC	Accumulated Deficit
Priveterra closing equity as of July 21, 2023		557,160	$ —	$ —	$ 5,937	$ (12,897)
Shares issued as Consideration in the Merger	Note 1	16,500,000	2	—	192,189	—
Merger Consideration - Shares issued for Interim Convertible Notes related to Committed Financing	Note 5	2,226,182	—	—	24,132	—
Stock-Compensation for Class B Founder Shares	Note 3	6,900,000	1	—	68,972	(68,972)
Forward Purchase Agreements	Note 6	6,275,000	1	(60,710)	66,714	(38,255)
Issuance of Make-Whole derivative	Note 6	—	—	—	—	(427)
Shares issued in New Money PIPE Subscription Agreements	Note 6	1,001,000	—	—	10,844	(6,433)
Shares issued for Committed Financing	Note 6	3,571,429	—	—	38,714	(13,714)
Contingent Founder Shares	Note 6	—	—	—	(31,401)	—
Acquired IPR&D and Loss on Consolidation of VIE	Note 3	—	—	—	—	(355,553)
Other Miscellaneous		128,829	—	—	1,397	(1,397)
Total		37,159,600	$ 4	$ (60,710)	$ 377,498	$ (497,648)

The Sponsor, in connection with Priveterra's IPO, purchased 6,900,000 shares of Class B common stock (the "Founder Shares") for $25,000 (approximately $0.004 per share). These shares had no value until Priveterra effected the Merger. Upon the Merger, the Founder Shares automatically converted to shares of common stock. This conversion was solely contingent upon the completion of the Company approved Merger, a performance condition, and did not include any future service requirements. As such, the certificate grant date fair value of amendment the 6,900,000 shares was expensed in the amount of $69.0 million and is presented "on the line." Pursuant to the second terms of the Sponsor Support Agreement, as amended, effective at the Closing, 50% of the Founder Shares (i.e., 3,450,000 Founder Shares) (the "Contingent Founder Shares") were unvested and restated certificate subject to the restrictions and forfeiture provisions set forth in this Sponsor Support Agreement. As such, the fair value at Closing of incorporation the remaining 3,450,000 shares with vesting conditions in the amount of $31.4 million was reclassified from additional paid-in capital to amend contingent consideration liability on the Company's contractual expiration date of February 11, 2023 by changing accompanying Successor's consolidated balance sheet.

Note 4. Related Party Transactions (Predecessor)

2019 Debt Financings

In June 2019, the date by Predecessor entered into a senior unsecured note purchase agreement (the "Original 2019 Note Purchase Agreement"), with Dental Innovations, pursuant to which the Company must cease all operations except for the purpose of winding up if it fails Predecessor issued Dental Innovations a promissory note (the "Original

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2019 Note") with a principal amount of $5.0 million. Pursuant to the terms of the Original 2019 Note, the Predecessor was required to repay a total of $8.75 million, representing all principal and interest owed, upon the earliest to occur of (i) June 19, 2022, (ii) Dental Innovations' demand for repayment following the Predecessor's completion of an initial public offering and (iii) the Predecessor's election to repay the Original 2019 Note in full.

Under the Original 2019 Note Purchase Agreement, Dental Innovations committed to purchase from the Predecessor an additional promissory note with a principal amount of $5.0 million, subject to the Predecessor issuing and selling an additional promissory note with a principal amount of $5.0 million to a lender not affiliated with Dental Innovations. Any such additional promissory notes were to have the same payment terms as the Original 2019 Notes.

In December 2019, the Predecessor entered into an amendment to the Original 2019 Note Purchase Agreement that provided for the exchange of the Original 2019 Note for a convertible promissory note with a principal amount of $5.0 million. In addition, Dental Innovations was no longer committed to purchase from the Predecessor an additional promissory note with a principal amount of $5.0 million subject to the Predecessor issuing and selling an additional promissory note with a principal amount of $5.0 million to a lender not affiliated with Dental Innovations. In December 2019, the Predecessor issued and sold five additional convertible promissory notes, each with a principal amount of $1.0 million, including one to SCH and one to a member of the Predecessor's board of directors (all such convertible promissory notes, the "2019 Convertible Notes").

The Predecessor's payment and performance under the 2019 Convertible Notes were guaranteed by ABP Sub Inc., the Predecessor's wholly owned subsidiary prior to the Merger. Pursuant to the terms of the 2019 Convertible Notes, the Predecessor was required to repay 175% of the principal amount to the holders on the third anniversary of the issuance of the 2019 Convertible Notes. In the event of an underwritten public offering of the Predecessor's common stock, the 2019 Convertible Notes would have automatically converted into a number of shares of the Predecessor's common stock equal to 175% of the principal amount of the 2019 Convertible Notes, divided by the per share price at which shares were offered to the public in such offering.

Due to certain embedded features within the 2019 Convertible Notes, the Predecessor elected to account for the 2019 Convertible Notes and all their embedded features at fair value at inception. Subsequent changes in fair value were recorded as a component of other (loss) income in the Predecessor's consolidated statements of operations and comprehensive (loss) income or as a component of other comprehensive income (loss) for changes to instrument-specific credit risk. As a result of electing the fair value option, direct costs and fees related to the 2019 Convertible Notes were expensed as incurred.

In January 2020, in connection with the distribution of the units of A1 to the Predecessor's stockholders, each of the holders of the Predecessor's 2019 Convertible Notes were granted contingent warrants by A1 to purchase shares of Evolus, Inc. ("Evolus") from A1. The contingent warrants were exercisable at the option of the holders only prior to the Predecessor's first underwritten public offering of common stock under the Securities Act of 1933, as amended (the "Securities Act"), or upon an event of default under the 2019 Convertible Notes. The 2019 Convertible Notes were concurrently amended to provide the noteholders the option, prior to the notes' conversion, to cancel a portion of the indebtedness represented by such noteholder's 2019 Convertible Note and receive a number of shares of Evolus from A1 having a market value equal to the value of such cancelled indebtedness, in lieu of automatic conversion of all of the noteholder's 2019 Convertible Note into shares of the Predecessor's common stock. The amount of cancelled indebtedness that could be so applied in exercise of the contingent warrant was capped as the ratio that the value of Evolus shares held by A1 bore to the combined value of (i) the Evolus shares held by A1 and (ii) the Predecessor immediately prior to consummation of the Predecessor's first underwritten public offering of common stock under the Securities Act.

In September 2020, in connection with the distribution of the units of Alphaeon Credit Holdco LLC ("AC HoldCo") and Zelegent HoldCo LLC ("Z HoldCo") to the Predecessor's stockholders, each of the holders of the Predecessor's 2019 Convertible Notes were granted contingent warrants by AC HoldCo and Z HoldCo to purchase shares of Alphaeon Credit, Inc. ("Alphaeon Credit") and Zelegent from AC HoldCo and Z HoldCo. The contingent warrants were exercisable at the option of the holders only prior to the Predecessor's first underwritten public offering of common stock under the Securities Act, or upon an event of default under the 2019 Convertible Notes. The 2019 Convertible Notes were concurrently amended to provide the noteholders the option, prior to the notes' conversion, to cancel a portion of the indebtedness represented by such noteholder's 2019 Convertible Note and receive a number of shares of Alphaeon Credit and/or Zelegent from AC HoldCo and Z HoldCo having a market value equal to the value of such cancelled indebtedness, in lieu of automatic conversion of all of the applicable noteholder's 2019 Convertible Note into shares of the Predecessor's common stock. The amount of cancelled indebtedness that can be so applied in exercise of the contingent warrant was capped as the ratio of aggregate indebtedness held by the convertible note holder as a proportion of the value of Alphaeon Credit or Zelegent to the value of the Predecessor.

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Additionally, on July 22, 2022, the 2019 debt was amended. The Dental Innovations note's maturity date was extended from June 19, 2022 to December 29, 2023. The original note had a principal of $5.0 million. Upon the original maturity date, the total due was 175% of principal, which equals $8.7 million (which such amount included an additional amount of $3.7 million). Interest was increased from 0.0% to 15.79% on the total payable of $8.7 million from the original maturity date of June 19, 2022 to the new maturity date of December 29, 2023.

On July 22, 2022, the maturity dates for four of the $1.0 million convertible promissory notes were extended from November 1, 2022, December 12, 2022, December 12, 2022 and December 18, 2022, respectively, to December 29, 2023. Each of the fournotes **had a principal of $1.0** million**. Upon the original maturity date, the total due on each of the** fournotes **was 175% of** principal**,** whichequals **$1.7** million**(which such amount included an** additionalamount **of $0.7** million**). At the original maturity dates, the principal sum of $1.0** millionwaspaid **back to each of the note holders. The** remaining **$0.7** million **was to be** due **at the extended maturity date of December 29, 2023. The interest rate was increased from 0.0% to 10.0% interest on the** remaining **$0.7** millionfrom **the original maturity date to the new maturity date.**

The 2019 SCH Note's maturity date was extended from December 18, 2022 to December 29, 2023. The original Note had a principal of $1.0 million. Upon the original maturity date, the total due was 175% of principal, which equals $1.7 million. The interest rate was increased from 0.0% to 15.79% on the total of $1.7 million from the original maturity date to the new maturity date.

In April 2023, the contingent warrants were amended to include the merger between AEON and Old AEON as a qualifying listing under the warrant agreement, which stated that the holders of the contingent warrants would exercise the warrants, and that the holders would receive 85% of the shares the holders would have been entitled to receive via the previous warrant agreement. The contingent warrants were exercised into Evolus shares held by A1 and Alphaeon Credit at the same time the convertible notes were converted to shares of the Company's stock. The Company determined that the contingent warrants amendment modified the settlement provision in the 2019 Convertible Notes. The Company determined that the amendment should be accounted for as a debt extinguishment. Since the noteholders were both shareholders of Old AEON, Evolus and Alphaeon Credit, the debt extinguishment was accounted for as a capital transaction on the April 2023 modification date. As such, due to the warrant modification, the Predecessor recognized a $17.0 million reduction to the underlying fair value of the convertible notes and a corresponding increase of $17.0 million to additional paid in capital during the period from January 1, 2023 to July 21, 2023 (Predecessor), of which $5.2 million was attributable to 2019 Debt Financing contingent warrants.

During the periods from January 1, 2023 to July 21, 2023 (Predecessor) and the twelve months ended December 31, 2022, the Predecessor recognized $1.6 million and $1.7 million, respectively, of expense related to the increase in the fair value of the 2019 Convertible Notes. As of December 31, 2022 (Predecessor), the principal amount outstanding under the 2019 Convertible Notes was $6.0 million, with an estimated fair value of $16.2 million. The 2019 Convertible Notes were converted into shares of the Successor's common stock at the Closing and were recorded "on the line" as part of the shares issued as consideration in the Merger (see Note 3 Forward Merger**).**

SCH Convertible Note

The Predecessor issued a convertible promissory note to SCH (the "SCH Convertible Note"). Prior to the Merger, the Predecessor's payment and performance under the SCH Convertible Note were guaranteed by ABP Sub Inc. Pursuant to the terms of the SCH Convertible Note, the Predecessor was required to repay 175% of the principal amount to SCH on the third anniversary of its issuance. In the event of an underwritten public offering of the Predecessor's common stock, the SCH Convertible Note would have automatically converted into a number of shares of the Predecessor's common stock equal to 175% of the principal amount of the SCH Convertible Note, divided by the per share price at which shares were offered to the public in such offering.

Due to certain embedded features within the SCH Convertible Note, the Predecessor elected to account for the SCH Convertible Note and the embedded features at fair value at inception. Subsequent changes in fair value were recorded as a

component of other (loss) income in the Predecessor's consolidated statements of operations and comprehensive (loss) income or as a component of other comprehensive income (loss) for changes to instrument-specific credit risk. As a result of electing the fair value option, any direct costs and fees related to the SCH Convertible Note were expensed as incurred.

Additionally, the 2020 Strathspey Crown note's maturity date was extended from January 2, 2023 to December 29, 2023. The original note had a principal of $17.5 million. Upon the original maturity date, the total due was $30.6 million. The interest rate was increased from 0.0% to 15.79% on the total of $30.6 million from the original maturity date to the new maturity date.

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During the periods from January 1, 2023 to July 21, 2023 (Predecessor) and the twelve months ended December 31, 2022, the Predecessor recognized $4.2 million and $2.1 million, respectively, of expense related to the increase in the fair value of the SCH Convertible Note. As of December 31, 2022, the principal amount outstanding under the SCH Convertible Note was $17.5 million, with an estimated fair value of $25.1 million.

In April 2023, the contingent warrants were amended to include the merger between AEON and Old AEON as a qualifying listing under the warrant agreement, which stated that the holders of the contingent warrants would exercise the warrants, and that the holders would receive 85% of the shares the holders would have been entitled to receive via the previous warrant agreement. The Company determined that the contingent warrants amendment modified the settlement provision in the 2019 Convertible Notes. The Company determined that the amendment should be accounted for as a debt extinguishment. Since Evolus and Alphaeon Credit are related parties of AEON, the debt extinguishment was accounted for as a capital transaction on the April 2023 modification date. As such, due to the warrant modification, the Predecessor recognized a $17.0 million reduction to the underlying fair value of the convertible notes and a corresponding increase of $17.0 million to additional paid in capital during the period from January 1, 2023 to July 21, 2023 (Predecessor), of which $11.8 million was attributable to SCH contingent warrants.

The SCH Convertible Note was converted into shares of the Successor's common stock at the Closing and was recorded "on the line" as part of the shares issued as consideration in the Merger (see Note 3 Forward Merger).

A1 Convertible Notes

In December 2021, the Predecessor entered into an agreement with A1 (the "A1 Purchase Agreement"), pursuant to which the Predecessor could issue subordinated convertible promissory notes to A1 with an aggregate principal amount of up to $25.0 million. On December 8 and 15, 2021, the Predecessor issued two convertible notes (collectively, the "2021 A1 Convertible Notes"), each with a principal amount of $5.0 million, and totaling $10.0 million, that matured on the third anniversary of their issuance. The A1 Convertible Notes were unsecured and subordinated to the Predecessor's other convertible notes.

The 2021 A1 Convertible Notes bore interest, compounded daily, at the lesser of 10% per annum or the maximum rate permissible by law. Interest was paid in-kind by adding the accrued amount thereof to the principal amount on a monthly basis on the last day of each calendar month for so long as any principal amount was outstanding (such paid in-kind interest, in the aggregate at any time, the "PIK Principal").

Immediately prior to an initial public offering, all of the then outstanding principal amount and accrued and unpaid interest under the 2021 A1 Convertible Notes was to automatically convert into shares of the Predecessor's common stock. The number of shares of common stock issuable upon conversion of the 2021 A1 Convertible Notes would have been equal to (i) the outstanding loan amount (including the PIK Interest) divided by (ii) the product of (a) the price per share of such common stock issued to the public in the initial public offering *multiplied by* (b) the applicable discount rate. The discount rate was to be determined for each note based on the number of days elapsed between the date the applicable note was executed and the date on which a conversion event was formally announced and was to be equal to (x) 10% if between zero and 90 days, (y) 15% if between 91 and 180 days, or (z) 20% if greater than 180 days.

Due to certain embedded features within the 2021 A1 Convertible Notes, the Predecessor elected to account for the 2021 A1 Convertible Notes and the embedded features at fair value at inception. Subsequent changes in fair value were recorded as a component of other (loss) income in the accompanying Predecessor's consolidated statements of operations and comprehensive (loss) income or as a component of other comprehensive income (loss) for changes to instrument-specific credit risk.

During the periods from January 1, 2023 to July 21, 2023 (Predecessor) and the year ended December 31, 2022, the Predecessor recognized $(3.0) million and $0.6 million, respectively, of (expense) income related to the (increase) decrease in the fair value of the 2021 A1 Convertible Notes. As of December 31, 2022, the principal amount outstanding under the 2021 A1 Convertible Notes was $10 million, with an estimated fair value of $8.7 million. The 2021 A1 Convertible Notes were converted into shares of the Successor's common stock at the Closing.

During the year ended December 31, 2022, the Predecessor issued five additional tranches of subordinated convertible promissory notes to A1 on February 18, 2022, March 9, 2022, April 14, 2022, June 3, 2022 and July 1, 2022 (collectively, the "2022 A1 Convertible Notes"), the first four with a principal amount of $3.0 millioneachand **the fifth issued July 1, 2022, for a principal amount of $2.5 million and totaling $14.5 million. The terms of the 2022 A1 Convertible Notes were similar to those of the 2021 A1**

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Convertible Notes. During the periods from January 1, 2023 to July 21, 2023 (Predecessor) and the year ended December 31, 2022, the Predecessor recognized $4.2 million and $1.0 million, respectively, of expense related to the increase in the fair value of the 2022 A1 Convertible Notes. As of December 31, 2022, the principal balance was $14.5 million, with an estimated fair value of $12.2 million. The 2022 A1 Convertible Notes were converted into shares of the Successor's common stock at the Closing.

Additionally, on March 30, 2022, the Predecessor amended the 2021 A1 Convertible Notes and the convertible notes issued on February 18, 2022 and March 9, 2022 to remove the discount rate associated with the automatic conversion of any outstanding convertible notes into shares of common stock in connection with an initial public offering.

On March 6, 2023, the Predecessor entered into an agreement with A1, pursuant to which the Predecessor issued subordinated convertible promissory notes to A1 with an aggregate principal amount of $6.0 million ("March 2023 A1 Convertible Notes") that matured on the earlier of (x) the date of the consummation of the Merger and (y) December 29, 2023. The March 2023 A1 Convertible Notes bore interest at 15.79%, based on simple interest daily, unless issued at least five days prior to maturity date. The March 2023 A1 Convertible Notes had similar terms to the 2021 A1 Convertible Notes and 2022 A1 Convertible Notes and were unsecured and subordinated to the Predecessor's other convertible notes. During the period from January 1, 2023 to July 21, 2023 (Predecessor), the Predecessor recognized $10.1 million of expense related to the increase in the fair value of the March 2023 A1 Convertible Notes. The March 2023 A1 Convertible Notes were converted into shares of the Successor's common stock at the Closing and was recorded "on the line" as part of the shares issued as consideration in the Merger (see Note 3 Forward Merger**).**

PRIVETERRA ACQUISITION CORP. Note 5. Daewoong Convertible Notes (Predecessor)

In August 2020, the Predecessor entered into a Convertible Promissory Note Purchase Agreement with Daewoong (the "Daewoong Purchase Agreement"), pursuant to which the Predecessor issued Daewoong two subordinated convertible promissory notes (collectively, the "2020 Daewoong Convertible Notes") with an aggregate principal amount of $25.0 million. The 2020 Daewoong Convertible Notes had similar terms, of which one was issued on August 27, 2020 with a principal amount of $10.0 million and the other was issued on September 18, 2020 with a principal amount of $15.0 million. The 2020 Daewoong Convertible Notes were unsecured and subordinated to the Predecessor's 2019 Convertible Notes. The Predecessor's payment and performance under the 2020 Daewoong Convertible Notes was guaranteed by ABP Sub Inc., the Predecessor's wholly owned subsidiary prior to the Merger.

The 2020 Daewoong Convertible Notes bore interest daily at 3% per annum with semiannual compounding. Interest is paid in-kind by adding the accrued amount thereof to the principal amount on a semi-annual basis on June 30th and December 31st of each calendar year for so long as any principal amount remained outstanding (such paid in-kind interest, in the aggregate at any time, the "PIK Principal"). The 2020 Daewoong Convertible Notes had a maturity date of September 18, 2025.

Pursuant to the 2020 Daewoong Convertible Notes' terms, Daewoong could have elected to convert all of the then outstanding principal amount and all accrued and unpaid interest into the Predecessor's common stock at any time following the date that was 12 months after September 18, 2020, provided, that such election must have been made at the same time with respect to all notes issued to Daewoong. The number of shares issuable upon any conversion would have been equal to (i) the outstanding principal amount (excluding PIK Principal) divided by $25.0 million and (ii) multiplied by 9.99% of the aggregate of all of the shares of the Predecessor's common stock then outstanding, the Predecessor's common stock issuable upon conversion or exercise of all of the outstanding convertible or exercisable securities, all outstanding vested or unvested options or warrants to purchase the Predecessor's capital stock, but excluding all out-of-the-money options, and all shares of common stock issuable upon conversion of any convertible debt (whether or not such debt would have been convertible at such time).

Immediately prior to an initial public offering ("IPO"), all of the then outstanding principal amount and accrued and unpaid interest under the 2020 Daewoong Convertible Notes would have automatically converted into shares of the Predecessor's common stock. The number of shares of common stock issuable upon conversion of the 2020 Daewoong Convertible Notes was equal to (i) the outstanding principal amount (excluding PIK Principal) divided by $25.0 million and (ii) multiplied by the greater of (A) 9.99% of the pre-IPO shares of the Predecessor, and (B) that number of shares having an aggregate value of $20.0 million immediately prior to the IPO based upon a price per share of such common stock issued to the public in the IPO; provided, however, that in no event was Daewoong's ownership to exceed 15% of the pre-IPO shares of the Predecessor after taking into account conversion of the 2020 Daewoong Convertible Notes. In the event, and only in the event, that shares of the Predecessor were sold in the IPO whereby the pre-money valuation of the Predecessor was $200.0 million or greater, within five **business days of the conversion of the 2020 Daewoong Convertible Notes, the Predecessor would have been required pay to Daewoong the PIK Principal plus all accrued and unpaid interest**

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either in cash or by the issuance of additional shares of common stock at the price per share in the IPO, which payment method would have been be at the Predecessor's sole election.

In May 2021, the Daewoong Purchase Agreement was amended to provide for the issuance of an additional subordinated convertible promissory note by the Predecessor to Daewoong at an initial principal amount of $5.0 million. The subordinated convertible promissory note was issued with terms similar to the two subordinated convertible promissory notes issued in 2020 and had a maturity date of May 12, 2026 (all such convertible promissory notes, the "Daewoong Convertible Notes").

Pursuant to the terms of the amended Daewoong Purchase Agreement, Daewoong could have elected to convert all of the then outstanding principal amount and all accrued and unpaid interest into the Predecessor's common stock at any time following the date that was 12 months after September 18, 2020, provided, that such election must have been made at the same time with respect to all notes issued to Daewoong. The number of shares of common stock issuable upon conversion would have been equal to (i) the outstanding principal amount (excluding PIK Principal) divided by $30.0 million and (ii) multiplied by 11.99% of the aggregate of all of the shares of the Predecessor's common stock then outstanding, the Predecessor's common stock issuable upon conversion or exercise of all of the outstanding convertible or exercisable securities, all outstanding vested or unvested options or warrants to purchase the Predecessor's capital stock, but excluding all out-of-the-money options, and all shares of common stock issuable upon conversion of any convertible debt (whether or not such debt would have been convertible at such time).

In addition, immediately prior to an initial public offering, all of the then outstanding principal amount and accrued and unpaid interest under the convertible notes would have automatically converted into shares of the Predecessor's common stock. The number of shares of common stock issuable upon conversion of the convertible notes was equal to (i) the

outstanding principal amount (excluding PIK Principal) divided by $30.0 million and (ii) multiplied by the greater of (A) 11.99% of the pre-IPO shares of the Predecessor, and (B) that number of shares having an aggregate value of $24.0 million immediately prior to the IPO based upon a price per share of such common stock issued to the public in the IPO; provided, however, that in no event was Daewoong's ownership to exceed 18% of the pre-IPO shares of the Predecessor after taking into account conversion of the Daewoong Convertible Notes.

Due to certain embedded features within the Daewoong Convertible Notes, the Predecessor elected to account for the Daewoong Convertible Notes, including the paid-in-kind principal and interest, and the embedded features at fair value at inception. Subsequent changes in fair value were recorded as a component of other (loss) income in the Predecessor's consolidated statements of operations and comprehensive (loss) income or as a component of other comprehensive income (loss) for changes to instrument-specific credit risk. As a result of electing the fair value option, any direct costs and fees related to the Daewoong Convertible Notes were expensed as incurred.

On July 29, 2022, the Predecessor entered into a Convertible Promissory Note Purchase Agreement (the "Agreement") between the Predecessor and Daewoong Co., LTD. and received $30 million. The related note had a stated interest rate of 15.79% per annum. Such note was scheduled to mature on December 29, 2023 and had similar conversion terms to the Daewoong Convertible Notes. Such note could have been prepaid, in whole, without premium or penalty at any time prior to the maturity date.

During the periods from January 1, 2023 to July 21, 2023 (Predecessor) and the year ended December 31, 2022, the Predecessor recognized $3.7 million and $(2.2) million, respectively, of income (expense) related to the decrease (increase) in the fair value of the Daewoong Convertible Notes. As of December 31, 2022, the principal amount outstanding (excluding the PIK Principal) under the Daewoong Convertible Notes was $60 million, with an estimated fair value of $53.5 million. The Daewoong Convertible Notes were converted into shares of the Successor's common stock at the Closing.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS Note 6. Fair Value Measurements

DECEMBER 31, 2022The Company measures fair value based on the prices that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying value of cash, accounts payable, accrued liabilities and convertible notes approximate fair value because of the short-term nature of those instruments. There were no convertible notes outstanding at December 31, 2023. The following are other financial assets and liabilities that are measured at fair value on a recurring basis.

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Convertible Notes at Fair Value (Predecessor)

Due to certain embedded features within the convertible notes, the Predecessor elected the fair value option to account for its convertible notes, including any paid-in-kind principal and interest, and the embedded features. During the periods from January 1, 2023 to July 21, 2023 (Predecessor) and the year ended December 31, 2022, the Predecessor recognized $19.4 million and $4.4 million, respectively, of expense related to the increase in the fair value of the convertible notes. As of December 31, 2022, the principal amount outstanding under the convertible notes was $111 million, with an estimated fair value of $131.3 million. The convertible notes were converted into shares of the Successor's common stock at the Closing. See Note 4 Related Party Transactions (Predecessor) and Note 5 Daewoong Convertible Notes (Predecessor) for more information on the convertible notes.

The fair value of the convertible notes was determined based on Level 3 inputs using a scenario-based analysis that estimated the fair value of the convertible notes based on the probability-weighted present value of expected future investment returns, considering each of the possible outcomes available to the noteholders, including various initial public offering, settlement, equity financing, corporate transaction and dissolution scenarios. The significant unobservable input assumptions that can significantly change the fair value included (i) the weighted average cost of capital, (ii) the timing of payments, (iii) the

discount for lack of marketability, (iv) the probability of certain corporate scenarios, and (v) the long-term pretax operating margin. During the period from January 1, 2023 to July 21, 2023 (Predecessor), the Predecessor utilized discount rates ranging from 15% to 40% and 15% to 45%, respectively, reflecting changes in the Predecessor's risk profile, time-to-maturity probability, and key terms when modified to the convertible notes. As of the Closing, the fair value of the convertible notes immediately prior to their conversion was based on the fair value of the Company's shares to be received by the holders using the market price of the shares at Closing.

Preferred Stock Warrant Liability (Predecessor)

In 2016, in connection with an earlier debt issuance that has been subsequently settled, the Predecessor issued to one of its investors, Longitude Venture Partners II, L.P. ("Longitude"), warrants to purchase 342,011 shares of the Predecessor's Series B convertible preferred stock at an exercise price of $7.3097 per share. The Predecessor accounted for the warrants as a liability, which were initially recorded at their fair value of $0.8 million on the date of issuance and are subject to remeasurement at each subsequent balance sheet date. Any change in fair value of the warrants as a result of the remeasurement was recognized as a component of other (loss) income, net in the accompanying Predecessor's consolidated statements of operations and comprehensive (loss) income.

The fair value of the warrant liability is determined based on Level 3 inputs using the Black-Scholes option-pricing model, which includes expected volatility, risk-free interest rate, expected life and expected dividend yield. The warrant liability was not material as of December 31, 2022 (Predecessor) and there were no material changes in fair value for the periods from January 1, 2023 to July 21, 2023 (Predecessor) and the year ended December 31, 2022 (Predecessor). The preferred stock warrants expired prior to the Closing.

Forward Purchase Agreements (Successor)

On June 29, 2023, Priveterra and Old AEON entered into the Forward Purchase Agreements with each of (i) ACM ARRT J LLC ("ACM") and (ii) Polar Multi-Strategy Fund ("Polar") (each of ACM and Polar, individually, a "Seller", and together, the "Sellers") for OTC Equity Prepaid Forward Transactions. For purposes of each Forward Purchase Agreement, Priveterra is referred to as the "Company" prior to the consummation of the Merger, while AEON is referred to as the "Company" after the consummation of the Merger. As described below in Note 12 Subsequent Events, the Forward Purchase Agreements were terminated on March 18, 2024.

Pursuant to the terms of the Forward Purchase Agreements, the Sellers intended, but were not obligated, to purchase up to 7,500,000 shares of Priveterra Class A Common Stock in the aggregate concurrently with the Closing pursuant to each Seller's respective FPA Funding Amount PIPE Subscription Agreement. No Seller would be required to purchase an amount of shares of Priveterra Class A Common Stock that would result in that Seller owning more than 9.9% of the total shares of Priveterra Class A Common Stock outstanding immediately after giving effect to such purchase, unless such Seller, at its sole discretion, waived such 9.9% ownership limitation. The Number of Shares subject to a Forward Purchase Agreement was subject to reduction following a termination of the Forward Purchase Agreements with respect to such shares as described under "Optional Early Termination" ("OET") in the respective Forward Purchase Agreements.

Each Forward Purchase Agreement provided that a Seller would be paid directly the Prepayment Amount which was equal to an aggregate of $66.7 million based on the product of (i) 6,275,000 shares of Priveterra Class A common stock (the "Additional Shares") and (ii) the redemption price per share of $10.63.

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On July 21, 2023, the Company was obligated to complete pay each Seller separately the Prepayment Amount required under its respective Forward Purchase Agreement, except that since the Prepayment Amount payable to a Seller was to be paid from the purchase of the Additional Shares by such Seller pursuant to the terms of its respective FPA Funding Amount PIPE Subscription Agreement, such amount was netted against such proceeds, with such Seller being able to reduce the purchase

price for the Additional Shares by the Prepayment Amount. For the avoidance of doubt, any Additional Shares purchased by a Seller were to be included in the Number of Shares for its respective Forward Purchase Agreement for all purposes, including for determining the Prepayment Amount. Therefore, the aggregate Prepayment Amount of $66.7 million was netted against the proceeds paid from the purchase of the Additional Shares in the aggregate by the Sellers pursuant to the FPA Funding Amount PIPE Subscription Agreements. We did not have access to the Prepayment Amount immediately following the Closing and, pursuant to the termination of the Forward Purchase Agreements as described below in Note 12 Subsequent Events, the Sellers will retain the Prepayment Amount in full, which may adversely affect our liquidity and capital needs. The Prepayment Amount of $66.7 million was recorded at its present value of $60.7 million as Subscription Receivables, which reduced stockholders' deficit on the Successor's consolidated balance sheets. The $6.0 million difference between the subscription receivables and the present value of the subscription receivables at Closing was reflected as a loss "on the line" in the Successor's opening accumulated deficit (see Note 3 Forward Merger).

Prior to the termination of the Forward Purchase Agreements as described below in Note 12 Subsequent Events, the redemption price per share in the Forward Purchase Agreements was subject to a reset price (the "Reset Price"). The Reset Price was initially the redemption price per share of $10.63 per share. Beginning 90 days after the Closing, the Reset Price became subject to monthly resets, to be the lowest of (a) the then-current Reset Price, (b) $10.63 and (c) the 30-day volume-weighted average price of the Company's Common Stock immediately preceding such monthly reset. The monthly resets of the Reset Price were subject to a floor of $7.00 per share (the "Reset Price Floor"); however, if during the term of the Forward Purchase Agreements, the Company were to sell or issue any shares of Common Stock or securities convertible or exercisable for shares of Common Stock at an effective price of less than the Reset Price (a "Dilutive Offering"), then the Reset Price would have immediately reset to the effective price of such offering and the Reset Price Floor would be eliminated. Additionally, in the event of a Dilutive Offering, the maximum number of shares available under the Forward Purchase Agreements could have been increased if the Dilutive Offering occurred at a price below $10.00 per shares. The maximum number of shares would have been reset to equal 7,500,000 divided by a number equal to the offering price in the Dilutive Offering divided by $10.00.

The Company did not have access to the Prepayment Amount immediately following the Closing and, depending on the mannerof settlement for the transactions covered by the Forward Purchase Agreements, may have had limited or no access to the Prepayment Amount during the terms of the Forward Purchase Agreements, particularly if the Company's Common Stock continues to trade below the prevailing Reset Price. Further, prior to the termination of the Forward Purchase Agreements in March 2024, the Company would have been required to make cash payments to the counterparties in respect of settlement amounts under the Forward Purchase Agreements, such as in the case of a failure to maintain the listing of the Company's Common Stock on a national securities exchange.

From time to time and on any date following the Merger (any such date, an "OET Date"), any Seller had the option, in its absolute discretion, to terminate its Forward Purchase Agreement in whole or in part by providing written notice to the Company (the "OET Notice"), no later than the next Payment Date following the OET Date (which would have specified the quantity by which the Number of Shares was to be reduced (such quantity, the "Terminated Shares")). The effect of an OET Notice would have been to reduce the Number of Shares by the number of Terminated Shares specified in such OET Notice with effect as of the related OET Date. As of each OET Date, the Company would have been entitled to an amount from the Seller, and the Seller would have been obligated to pay to the Company an amount, equal to the product of (x) the number of Terminated Shares and (y) the Reset Price in respect of such OET Date.

Pursuant to the terms of the Forward Purchase Agreements, the "Valuation Date" would have been the earlier to occur of (a) the date that is two years after the Closing Date pursuant to the Business Combination Agreement; (b) the date specified by Seller in a written notice to be delivered to AEON at such Seller's discretion (which Valuation Date would not be earlier than the day such notice is effective) after the occurrence of any of (w) a VWAP Trigger Event, (x) a Delisting Event, or (y) a Registration Failure (defined terms in each of clauses (b)(w) through (b)(y), as described in further detail below) and (c) 90 days after delivery by AEON of a written notice in the event that for any 20 trading days during a 30 consecutive trading day-period that occurred at least 6 months after the Closing Date, the VWAP Price was less than the current Reset Price Floor of $7.00 per share; provided, however, that the Reset Price would have been reduced immediately to any lower price at which the Company would have sold, issued or granted any shares or securities convertible or exchangeable into shares (other than, among other things, grants or issuances under the Company's equity compensation plans, any securities issued in connection with the Merger or any securities issued in connection with the FPA Funding Amount PIPE Subscription Agreements), subject to certain exceptions, in which case the Reset Price Floor would be eliminated.

On the Cash Settlement Payment Date, which would have been the tenth local business day following the last day of the valuation period commencing on the Valuation Date, a Seller was obligated to pay the Company a cash amount equal to (1) (A) a maximum of up to 7,500,000 shares of common stock (the "Number of Shares") as of the Valuation Date less the number of Unregistered Shares, multiplied by (B) the volume-weighted daily VWAP Price over the Valuation Period less (2) if the Settlement Amount Adjustment was less than the cash amount to be paid, the Settlement Amount Adjustment. The Settlement Amount Adjustment was equal to (1) the Number of Shares as of the Valuation Date multiplied by (2) $2.00 per share, and the Settlement Amount Adjustment will be automatically netted from the Settlement Amount.

Based on the applicable guidance in ASC 480, ASC 815, ASC 505 and SAB 4E, the Company has determined that each of its Forward Purchase Agreements entered in connection with the Merger was a freestanding hybrid financial instrument comprising a subscription receivable and embedded features, which have been bifurcated and accounted for separately as derivative instruments. The Company recorded the derivatives as liabilities and measured them at fair value with the initial value of the derivative of $32.3 million and the loss on issuance of $6.0 million recorded as a loss "on the line" in the Successor's opening accumulated deficit (see Note 3 Forward Merger). Subsequent changes in the bifurcated derivatives are recorded in the Successor's consolidated statements of operations and comprehensive (loss) income. For the period from July 22, 2023 to December 31, 2023 (Successor), the Company recorded a loss related to the change in fair value of derivatives **of $8.4 million. The Company utilized the Monte-Carlo valuation model to value the forward purchase agreements at Closing date and as of December 31, 2023. The following table summarizes the significant inputs as of the valuation dates:**

	December 31, 2023	July 21, 2023
Stock Price	**$ 7.20**	**$ 10.84**
Expected volatility	**52.00%**	**55.00%**
Risk-free interest rate	**4.48%**	**4.82%**
Expected life (in years)	**1.56**	**2**
Expected dividend yield	**—**	**—**

New Money PIPE Subscription Agreements and Letter Agreements

On June 29, 2023, Priveterra entered into separate subscription agreements (the "New Money PIPE Subscription Agreements") with each of ACM ASOF VIII Secondary-C LP ("ACM Investor"), the Polar Affiliate and certain other investors (collectively, the "New Money PIPE Investors"). Pursuant to the New Money PIPE Subscription Agreements, the New Money PIPE Investors subscribed for and purchased, and Priveterra issued and sold to the New Money PIPE Investors, on the Closing Date, an aggregate of 1,001,000 shares of Priveterra Class A Common Stock for a purchase price of $7.00 per share, for aggregate gross proceeds of $7.0 million (the "New Money PIPE Investment"). Certain affiliates of ACM Investor purchased 236,236 shares from third parties through a broker in the open market prior to the Closing, for which all redemption rights were irrevocably waived. Such redeemed shares were freely tradeable shares prior to the Closing, and the proceeds to the Company provided by such redeemed shares were netted against the $3.5 million that ACM Investor was otherwise obligated to pay the Company under its New Money PIPE Subscription Agreement. Accordingly, Priveterra received $3.5 million from Polar and $0.9 million from ACM Investor (net of redeemed shares and fees) in connection with the New Money PIPE Subscription Agreements for the issuance of 1,001,000 shares. The Company recorded a loss of $6.4 million on the line in the Successor's opening accumulated deficit related to issuance of common shares underlying the New Money PIPE Subscription Agreement equal to the market price of the stock on the Closing Date less the purchase price of $7.00 per share.

On June 29, 2023, the Sponsor entered into separate letter agreements (each, "Letter Agreement" and collectively, the "Letter Agreements") with each of ACM Investor and Polar. Pursuant to the Letter Agreements, in the event that the average price per share at which shares of common stock purchased pursuant to the New Money PIPE Subscription Agreements that are

transferred during the period ending on the earliest of (A) June 21, 2025, (B) the date on which the applicable Forward Purchase Agreement terminates and (C) the date on which all such shares are sold (such price, the "Transfer VWAP", and such period, the "Measurement Period") is less than $7.00 per share, then (i) ACM Investor and Polar shall be entitled to receive from Sponsor a number of additional shares of common stock that have been registered for resale by us under an effective resale registration statement pursuant to the Securities Act, under which ACM Investor and Polar may sell or transfer such shares of common stock in an amount that is equal to the lesser of (A) a number of shares of common stock equal to the Make-Whole Amount divided by the VWAP (measured as of the date the additional

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shares are transferred to ACM Investor or Polar, as applicable) and (B) an aggregate of 400,000 shares of common stock (the "Additional Founder Shares") and (ii) Sponsor shall promptly (but in any event within fifteen (15) business days) after the Measurement Date, transfer the Additional Founder Shares to ACM Investor or Polar, as applicable. "Make-Whole Amount" means an amount equal to the product of (A) $7.00 minus the Transfer VWAP multiplied by (B) the number of Transferred PIPE Shares. "VWAP" means the per share volume weighted average price of the common stock in respect of the five consecutive trading days ending on the trading day immediately prior to the Measurement Date. "Measurement Date" means the last day of the Measurement Period.

Based on the terms of the Letter Agreements, and applicable guidance in ASC 815 and SAB 5.T, "Accounting for Expenses or Liabilities Paid by Principal Stockholder(s)", the Company has determined that the make-whole provision in the Letter Agreements is a freestanding financial instrument and a derivative instrument. The Company has recorded the derivative liability and measured it at fair value with the initial value of the derivative of $0.4 million recorded as a loss "on the line" in the Successor's opening accumulated deficit (see Note 3 Forward Merger). Subsequent changes in fair value of the make-whole provision are recorded in the Successor's consolidated statements of operations and comprehensive (loss) income. As of December 31, 2023 (Successor), the make-whole provision derivative liability was $0.7 million, included in the embedded forward purchase agreements and derivative liabilities on the Successor's consolidated balance sheets. For the period from July 22, 2023 to December 31, 2023 (Successor), the Company recorded a loss related to the change in fair value of the make-whole provision derivative liability of $0.3 million.

Committed Financing

In connection with the Merger, on January 6, 2023, Priveterra and Old AEON entered into separate subscription agreements for convertible notes with each of Alphaeon 1 LLC ("A1") and Daewoong Pharmaceuticals Co., Ltd. ("Daewoong") (collectively, the "Original Committed Financing Agreements"), pursuant to which A1 and Daewoong agreed to purchase, and Priveterra and Old AEON agreed to sell to each of them, up to $15 million and $5 million, respectively, aggregate of principal of interim convertible notes. Further, on June 8, 2023, Old AEON and Priveterra entered into a committed financing agreement with A1 (the "Additional Committed Financing Agreement"), pursuant to which A1 agreed to purchase, and Priveterra and Old AEON agreed to sell to A1, up to an additional $20 million aggregate principal of interim convertible notes. Pursuant to such agreement, the Company issued $14 million of interim convertible notes to A1 in the first and second quarters of 2023. The notes were subsequently measured at fair value under a fair value option election, with changes in fair value reported in earnings of the Predecessor (Old AEON). Conversion of the notes was contingent and automatically convertible on the Merger, and 2,226,182 shares of Priveterra Class A common stock were issued on the Closing Date in settlement of their conversion. The proceeds from the interim convertible notes were used to fund Old AEON's operations through the consummation of the Merger. Additionally, approximately $25 million was received on the Closing Date in exchange for an aggregate of 3,571,429 shares of Priveterra Class A common stock at $7.00 per share that were issued under a committed financing agreement between Priveterra, Old AEON, and each of two investors, A1 and Daewoong.

The Company recorded a loss of $13.7 million on the line in the Successor's opening accumulated deficit related to issuance of common shares underlying the Committed Financing Agreements equal to the market price of the stock on the Closing Date less the purchase price of $7.00 per share.

Contingent Consideration and Contingent Founder Shares (Successor)

As part of the Merger, certain Founder Shares and Participating Stockholders shares (together, "Contingent Consideration Shares"), as further discussed below, contain certain contingent provisions.

On April 27, 2023, Priveterra and Old AEON amended the Business Combination Agreement. Concurrently with the amendment to the Business Combination Agreement, Priveterra amended the Sponsor Support Agreement to include restriction and forfeiture provisions related to the Founder Shares. In addition following the Closing, certain AEON stockholders will be issued up to 16,000,000 additional shares of common stock.

Pursuant to the terms of the Sponsor Support Agreement, as amended, effective immediately after the Closing, 50% of the Founder Shares (i.e., 3,450,000 Founder Shares) (the "Contingent Founder Shares") were unvested and subject to the restrictions and forfeiture provisions set forth in this Sponsor Support Agreement. The remaining 50% of the Founder Shares and 100% of the Private Placement Warrants are not subject to such restrictions and forfeiture provisions. The Contingent Founder Shares shall vest, and shall become free of the provisions as follows:

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- **1,000,000 of the Contingent Founder Shares (the "Migraine Phase 3 Contingent Founder Shares") shall vest upon the achievement of the conditions for the issuance of the Migraine Phase 3 Contingent Consideration Shares on or prior to the Migraine Phase 3 Outside Date;**

- **1,000,000 of the Contingent Founder Shares (the "CD BLA Contingent Founder Shares") shall vest upon the achievement of the conditions for the issuance of the CD BLA Contingent Consideration Shares on or prior to the CD BLA Outside Date; and**

- **1,450,000 of the Contingent Founder Shares (the "Episodic/Chronic Migraine Contingent Founder Shares") shall vest upon the earlier of (x) the achievement of the conditions for the issuance of the Episodic Migraine Contingent Consideration Shares on or before the Episodic Migraine Outside Date and (y) the achievement of the conditions for the issuance of the Chronic Migraine Contingent Consideration Shares on or before the Chronic Migraine Outside Date.**

The Sponsor has agreed not to vote the Contingent Founder Shares during any period of time that such Contingent Founder Shares are subject to vesting.

Following the Closing, in addition to the consideration received at the Closing and as part of the overall consideration paid in connection with the Merger, certain holders of common stock in Old AEON (the "Participating AEON Stockholders") will be issued a portion of up to 16,000,000 additional shares of common stock, as follows:

- **1,000,000 shares of common stock, in the aggregate, if, on or before June 30, 2025 (as it may be extended, the "Migraine Phase 3 Outside Date"), the Company shall have commenced a Phase 3 clinical study for the treatment of chronic migraine or episodic migraine, which Phase 3 clinical study will have been deemed to commence upon the first subject having received a dose of any product candidate that is being researched, tested, developed or manufactured by or on behalf of the Company or any of its subsidiaries (any such product candidate, a "Company Product") in connection with such Phase 3 clinical study (such 1,000,000 shares of common stock, the "Migraine Phase 3 Contingent Consideration Shares"); and**

- **4,000,000 shares of common stock, in the aggregate, if, on or before November 30, 2026 (as it may be extended, the "CD BLA Outside Date"), the Company shall have received from the FDA acceptance for review of the BLA submitted by the Company for the treatment of cervical dystonia (such 4,000,000 shares of common stock, the "CD BLA Contingent Consideration Shares");**

- 4,000,000 shares of common stock, in the aggregate, if, on or before June 30, 2029 (as it may be extended, the "Episodic Migraine Outside Date"), the Company shall have received from the FDA acceptance for review of the BLA submitted by the Company for the treatment of episodic migraine (such 4,000,000 shares of common stock, the "Episodic Migraine Contingent Consideration Shares"); provided that in the event the satisfaction of the conditions for the issuance of the Episodic Migraine Contingent Consideration Shares occurs prior to the satisfaction of the conditions for the issuance of the Chronic Migraine Contingent Consideration Shares, then the number of Episodic Migraine Contingent Consideration Shares shall be increased to 11,000,000 shares of common stock; and

- 7,000,000 shares of common stock, in the aggregate, if, on or before June 30, 2028 (as it may be extended, the "Chronic Migraine Outside Date", and together with the Migraine Phase 3 Outside Date, the CD BLA Outside Date and the Episodic Migraine Outside Date, the "Outside Dates"), the Company shall have received from the FDA acceptance for review of the BLA submitted by AEON for the treatment of chronic migraine (such 7,000,000 shares of common stock, the "Chronic Migraine Contingent Consideration Shares"); provided that in the event that the number of Episodic Migraine Contingent Consideration Shares is increased to 11,000,000, then the number of Chronic Migraine Contingent Consideration Shares shall be decreased to zero and no Contingent Consideration Shares will be issued in connection with the satisfaction of the conditions to the issuance of the Chronic Migraine Contingent Consideration Shares.

- In the event that the Company licenses any of its products (except in connection with migraine or cervical dystonia indications) to a third-party licensor for distribution in the U.S. market (a "Qualifying License") prior to the satisfaction of (x) the conditions for the issuance of the Episodic Migraine Contingent Consideration Shares and (y)

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the conditions for the issuance of the Chronic Migraine Contingent Consideration Shares, then upon the entry of AEON into such Qualifying License, 2,000,000 shares of common stock shall become due and payable to Participating Stockholders and the number of Episodic Migraine Contingent Consideration Shares and (A) the number of Episodic Migraine Contingent Consideration Shares shall be reduced by 1,000,000 or by 2,000,000 and (B) the number of Chronic Migraine Contingent Consideration Shares shall be reduced by 1,000,000, but not below zero.

The Company accounts for the Contingent Consideration Shares as either equity-classified or liability-classified instruments based on an assessment of the Contingent Consideration Shares specific terms and applicable authoritative guidance in ASC 480, Distinguishing Liabilities from Equity ("ASC 480") and ASC 815, Derivatives and Hedging ("ASC 815"). Based on the appropriate guidance, the Company determined that the Contingent Consideration Shares would be classified as a liability on the Successor's consolidated balance sheets and remeasured at each reporting period with changes to fair value recorded to the Successor's consolidated statements of operations and comprehensive (loss) income, while the founder shares not subject to restrictions and forfeiture provisions were recorded to equity. As of December 31, 2023 (Successor), the contingent consideration liability was $104.4 million.

The Company utilized the Probability-Weighted Expected Return Method (PWERM) model to value the contingent consideration based on earnout milestones, probability of forfeiture and success scenarios. For the successor period July 22, 2023 to December 31, 2023, the Company recognized $52.8 million in income related to the change in fair value of contingent consideration on the Successor's consolidated statements of operations and comprehensive (loss) income.

Warrants (Successor)

Upon the Closing, 14,479,999 warrants initially issued by Priveterra in February 2021, consisting of 9,200,000 public warrants sold in the IPO and 5,279,999 warrants issued in a concurrent private placement, were outstanding. The terms of the warrants

are governed by a Warrant Agreement dated February 8, 2021 between the Company (then known as Priveterra Acquisition Corp.) and Continental Stock Transfer & Trust Company (the "Warrant Agreement").

The warrants are accounted for as a liability at the Closing with changes in the fair value through December 31, 2023 recorded to the Successor's consolidated statement of operations. The Company utilized the publicly reported market price of the public warrants to value the warrant liability at $1.4 million as of December 31, 2023 (Successor). For the Successor period from July 22, 2023 to December 31, 2023, the income from the change in fair value of warrants was $2.3 million.

Public warrants

Each whole public warrant entitles the holder to purchase one share of the Company's common stock at a price of $11.50 per share. The public warrants became exercisable 30 days after the completion of the Merger, andwill expire at 5:00 p.m., New York City time, on July 21, 2028, the five-year anniversary of the completion of the Merger, or earlier upon redemption or liquidation. Warrant holders may, until such time as there is an effective registration statement and during any period when the Company has failed to maintain an effective registration statement covering the shares of the Company's common stock issuable upon exercise of the warrants, exercise warrants on a "cashless" basis" in accordance with Section 3(a)(9) of the Securities Act or another exception. When exercised on a cashless basis, the number of shares received per warrant is capped at 0.361.

The Company may call the public warrants for redemption for cash:

- in whole and not in part;
- at a price of $0.01 per warrant;
- upon not less than 30 days' prior written notice of redemption to each warrant holder (the "30-day redemption period");
- if, and only if, there is an effective registration statement under the Securities Act of 1933 covering the issuance of the shares of common stock issuable upon exercise of the warrants, and a current prospectus relating thereto, available through the 30-day redemption period; and
- if, and only if, the closing price of the Company's common stock equals or exceeds $18.00 per share (as adjusted for stock splits, stock capitalizations, reorganizations, recapitalizations and the like) for any 20 trading days within a 30-trading day period ending three business days before the Company sends to the notice of redemption to the warrant holders.

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The Company may also call the public warrants for redemption:

- in whole and not in part;
- at $0.10 per warrant upon a minimum of 30 days' prior written notice of redemption provided that holders will be able to exercise their warrants on a cashless basis prior to redemption and receive that number of shares to be determined by reference to a table in the Warrant Agreement, based on the redemption date and the "fair market value" (as defined in the Warrant Agreement) of common stock except as otherwise described below; and
- if, and only if, the closing price of the Company's common stock equals or exceeds $10.00 per share (as adjusted for stock splits, stock capitalizations, reorganizations, recapitalizations and the like) for any 20 trading days within a 30-trading day period ending three business days before the Company sends to the notice of redemption to the warrant holders.

Private placement warrants

Each private placement warrant was identical to the public warrants initially sold by Priveterra in the IPO, except that the private placement warrants, so long as they are held by the Sponsor or its permitted transferees, (i) will not be redeemable by the Company and (ii) may be exercised by the holders on a cashless basis.

Medytox Top-off Right

The Predecessor entered into a settlement agreement with Medytox, Inc. ("Medytox") (the "Settlement Agreement"), effective as of June 21, 2021, as amended on May 5, 2022. Pursuant to the Settlement Agreement, among other things, the Predecessor agreed to enter into a share issuance agreement with Medytox pursuant to which the Predecessor issued 26,680,511 shares of Old AEON common stock, par value $0.0001 per share, to Medytox. The Settlement Agreement stated that in the event the shares of Old AEON common stock the Predecessor issued to Medytox represent less than 10% of the Predecessor's total outstanding shares immediately prior to the consummation of the Merger (the "Target Ownership"), the Company will issue additional shares of Old AEON common stock to Medytox sufficient to cause Medytox to achieve the Target Ownership (the "Top-off Right").

Because the shares of Old AEON common stock due to be issued to Medytox represented less than 10% of the Predecessor's total outstanding shares immediately prior to consummation of the Merger, the Predecessor issued additional shares of Old AEON common stock (the "Top-off Shares") to Medytox sufficient to cause Medytox to achieve the Target Ownership immediately prior to the Merger to the Top-off Right.

Based on the terms of the Settlement Agreement, the Top-off Right is a freestanding financial instrument, and is accounted for as a derivative liability pursuant to ASC 815. Accordingly, the Company recognized a loss of $11.8 million in the Predecessor period, reflecting the change in fair value through the Closing Date. At the Closing, the derivative liability was derecognized, and the issuance of the Top-off Shares was recognized as purchase consideration in the Successor's opening additional paid-in capital (see Note 3 Forward Merger).

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Summary of Recurring Fair Value Measurements

The following details the Company's recurring measurements for assets and liabilities at fair value (in thousands):

	Convertible Notes (Level 3)	Warrant Liabilities (Level 1)	Contingent Consideration (Level 3)	Embedded Forward Purchase Agreement and Make Whole Derivative (Level 3)
Predecessor				
Balance, December 31, 2022	$ 131,292	$ -	$ -	$ -
Issuance of convertible notes	14,000	-	-	-
Change in fair value	19,359	-	-	-
Conversion to common shares	(164,651)	-	-	-
Balance, July 21, 2023	-	-	-	-
Successor				
Balance, July 22, 2023	-	3,765	157,100	32,677
Additions	-	-	-	-
Change in fair value	-	(2,318)	(52,750)	8,366
Balance, December 31, 2023	$ -	$ 1,447	$ 104,350	$ 41,043

Note 7. Commitments and Contingencies

Operating Leases

In December 2021, the Predecessor entered into a three-year non-cancellable lease for office space. The lease does not include variable or contingent lease payments. An operating lease asset and liability are recognized based on the present value of the remaining lease payments discounted using the Predecessor's incremental borrowing rate. Lease expense is recognized on a straight-line basis over the lease term.

The following table summarizes supplemental balance sheet information related to the operating lease as of December 31, 2023 (in thousands):

Minimum lease payments by fiscal year	
2024	**$ 292**
Total future minimum lease payments	**292**
Less: Imputed interest	**(14)**
Present value of lease payments	**278**
Less: Current portion (included in other accrued expenses)	**(278)**
Noncurrent operating lease liability	**$ —**
Operating lease right-of-use asset	**$ 262**
Remaining lease term in years	**0.9**
Discount rate	**10 %**

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The following table summarizes supplemental disclosures of operating cost and cash flow information related to operating leases for the periods from January 1, 2023 to July 21, 2023 (Predecessor) and July 22, 2023 to December 31, 2023 (Successor), and the year ended December 31, 2022 (Predecessor) (in thousands).

	Year Ended December 31,		
	2023		2022
	Predecessor January 1, 2023 to July 21, 2023	Successor July 22, 2023 to December 31, 2023	Predecessor
Cost of operating leases	**$ 153**	**$ 122**	**$ 279**
Cash paid for operating leases	**180**	**129**	**248**

Daewoong License and Supply Agreement

On December 20, 2019, the Predecessor entered the Daewoong Agreement, pursuant to which Daewoong agreed to manufacture and supply ABP-450 and grant the Company an exclusive license for therapeutic indications to import, distribute, promote, market, develop, offer for sale and otherwise commercialize and exploit ABP-450 in the United States, the European Union, the United Kingdom, Canada, Australia, Russia, the Commonwealth of Independent States and South Africa (collectively the "covered territories").

Daewoong supplies the Company with ABP-450 at an agreed-upon transfer price, with no milestone or royalty payments and no minimum purchase requirements. Daewoong is responsible for all costs related to the manufacturing of ABP-450, including costs related to the operation and upkeep of its manufacturing facility, and the Company is responsible for all costs related to obtaining regulatory approval, including clinical expenses, and commercialization of ABP-450. The Company's exclusivity is subject to its exercise of commercially reasonable efforts to: (i) achieve all regulatory approvals necessary for ABP-450 to be marketed in the territory for therapeutic indications and (ii) commercialize ABP-450 in the territory for therapeutic indications. During the term of the Daewoong Agreement, the Company cannot purchase, sell or distribute any competing products in a covered territory or sell ABP-450 outside a covered territory.

The initial term of the Daewoong Agreement is from December 20, 2019 to the later of (i) the fifth anniversary of approval from the relevant governmental authority necessary to market and sell ABP-450 or (ii) December 20, 2029, and automatically renews for unlimited additional three-year terms, provided the Daewoong Agreement is not earlier terminated. The Daewoong Agreement will terminate upon written notice by either the Company or Daewoong upon a continuing default that remains uncured within 90 days (or 30 days for a payment default) by the other party, or without notice upon the bankruptcy or insolvency of the Company.

The Company has accrued $0.2 million and a de minimus amount for ABP-450 supplies as of December 31, 2022 (Predecessor) and December 31, 2023 (Successor), respectively.

Legal Proceedings

The Company, from time to time, is involved in various litigation matters or regulatory encounters arising in the ordinary course of business that could result in unasserted or asserted claims or litigation. Other than as described below, the Company is not subject to any currently pending legal matters or claims that would have a material adverse effect on its accompanying financial position, results of operations or cash flows.

On September 18, 2023, Odeon Capital Group LLC ("Odeon") filed a lawsuit against the Company in the Supreme Court of the State of New York, alleging that the Company failed to pay Odeon's deferred underwriting fee of $1.25 million. Odeon claims that it served as the underwriter for Priveterra Acquisition Corp., the special purpose acquisition company with which Old AEON merged with and into in July 2023. Odeon seeks monetary damages for the full amount of its claimed underwriting fee, punitive damages, attorneys' fees and other amounts. On November 16, 2023, the Company filed a motion to dismiss certain claims included in Odeon's complaint.

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In the normal course of business, the Company enters into contracts and agreements that contain a variety of representations and warranties and provide for general indemnifications. The Company's exposure under these agreements is unknown because it involves claims that may be made against the Company in the future, but have not yet been made. The Company accrues a liability for such matters when it is probable that future expenditures will be made and such expenditures can be reasonably estimated. See Note 2 Summary of Significant Accounting Policies for additional information.

Note 8. Income Taxes

The Company's loss before income taxes was entirely generated from its U.S. operations. As a result of its continuing losses, the Company had no provision for income taxes in the periods from January 1, 2023 to July 21, 2023 (Predecessor) and July 22, 2023 to December 31, 2023 (Successor), and the twelve months ended December 31, 2022 (Predecessor).

As of December 31, 2023 and 2022, the Company had federal net operating loss ("NOL") carryforwards of $87.3 million and $67.5 million, respectively, which will begin to expire in 2036. The Company had state NOLs of $116.2 million and $67.4 million as of December 31, 2023 and 2022, respectively, which will begin to expire in 2034. As of December 31, 2023 and 2022, the Company has federal research and development ("R&D") credit carryforwards of $6.1 million and $3.9 million, respectively,

which will begin to expire in 2039. As of December 31, 2023 and 2022, the Company also has California R&D credit carryforwards of $4.4 million and $3.0 million, respectively, which have an indefinite carryforward period.

In general, if the Company experiences a greater than 50 percentage point aggregate change in ownership of certain significant stockholders over a three-year period (a "Section 382 ownership change"), utilization of its pre-change NOL carryforwards and the R&D credit carryforwards is subject to an annual limitation under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, and similar state laws. The annual limitation generally is determined by multiplying the value of the Company's stock at the time of such ownership change, subject to certain adjustments, by the applicable long-term tax-exempt rate. Such limitations may result in expiration of a portion of the NOL carryforwards and R&D credit carryforwards before utilization and may be material. As of December 31, 2023, the Company has not determined to what extent a potential ownership change will impact the annual limitation that may be placed on the Company's utilization of its NOL carryovers and R&D credit carryforwards. Due to the existence of the valuation allowance, limitations created by ownership changes, if any, will not impact the Company's effective tax rate.

The components of deferred tax assets and liabilities were as follows (in thousands):

	December 31,	
	2023	2022
Deferred tax assets:		
Accrued compensation	$ 271	$ 296
Accrued other expense	—	123
Stock compensation	1,647	5,303
Start-up costs and other intangibles	12,230	13,727
Net operating losses	28,613	20,131
Lease liability	83	157
Other deferred assets	23	32
Capitalized Research and Development Expenses	11,264	6,387
	54,131	46,156
Less: valuation allowance	(53,978)	(45,929)
Total deferred tax assets	153	227
Deferred tax liabilities:		
Depreciation	(75)	(89)
ROU Asset	(78)	(138)
Total deferred tax liabilities	(153)	(227)
Net deferred income taxes	$ —	$ —

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A reconciliation of the difference between the provision (benefit) for income taxes and income taxes at the statutory U.S. federal income tax rate is as follows:

	December 31,	
	2023	2022
Income tax at statutory rate	21.0 %	21.0 %
Convertible notes	(11.1)	(1.8)
Contingent consideration	30.2	—
Forward purchase agreements	(11.5)	—

Warrants	1.3	—
Stock compensation	(2.0)	(0.5)
Officers compensation	(5.5)	—
Transaction costs	(7.9)	—
Change in valuation allowance	(14.5)	(18.7)
Effective tax rate	0.0 %	0.0 %

A reconciliation of unrecognized tax benefits at the beginning and end of 2023 and 2022 is as follows (in thousands):

	December 31,	
	2023	2022
Balance, beginning of year	$ 11,061	$ 7,270
Increases due to current year tax positions	3,609	3,791
Decreases due to prior year tax positions	—	—
Balance, end of year	$ 14,670	$ 11,061

The Company has considered the amounts and probabilities of the outcomes that can be realized upon ultimate settlement with the tax authorities and determined unrecognized tax benefits should be established of $14.7 million and $11.1 million as of December 31, 2023 and 2022, respectively. The Company's effective income tax rate would not be impacted if the unrecognized tax benefits are recognized. The Company does not expect its unrecognized tax benefits to change significantly over the next 12 months.

The Company's policy is to recognize interest expense and penalties related to income tax matters as a component of income tax expense. There were no accrued interest and penalties associated with uncertain tax positions as of December 31, 2023. The Company's tax returns for all years since inception are open for audit.

The Company measures deferred tax assets and liabilities using enacted tax rates that will apply in the years in which the temporary differences are expected to be recovered or paid.

Note 9. Convertible Preferred Stock (Predecessor)

As of December 31, 2022 (Predecessor), the Predecessor's certificate of incorporation, as amended and restated, authorized the Predecessor to issue up to 44,666,035 shares of preferred stock at a par value of $0.0001 per share. The Predecessor's convertible

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preferred stock was converted and exchanged into shares of the Company's common stock at the Closing. The Predecessor had the following convertible preferred stock issued and outstanding at December 31, 2022:

	Shares Authorized	Shares Issued and Outstanding	Per Share Preference	Preferential Liquidation Value (in thousands)	Carrying Value, Net of Issuance Costs (in thousands)
Series					
Series A	7,393,333	2,505,508	$ 5.4779	$ 13,725	$ 13,819
Series A-1	4,107,414	—	5.4779	—	—

Series A-2	4,846,750	4,846,750	5.4779	26,550	26,379
Series B	20,520,678	6,244,395	7.3097	45,645	43,896
Series B-1	136,805	—	7.3097	—	—
Series B-2	7,661,055	7,661,055	7.3097	56,000	53,855
	44,666,035	21,257,708		$ 141,920	$ 137,949

The holders of the convertible preferred stock had various rights and preferences as follows:

Voting Rights

The holders of each share of convertible preferred stock, prior to the conversion of the preferred stock in connection with the Closing, previously had the right to one vote for each share of common stock into which such preferred stock could be converted, and with respect to such vote, such holder had full voting rights and powers equal to the voting rights and powers of the holders of common stock. Prior to the conversion of the preferred stock in connection with the Closing, each holder of the convertible preferred stock was entitled to vote, together with holders of common stock, with respect to any question upon which holders of common stock had the right to vote.

Election of Directors

The holders of Series A and Series A-2 convertible preferred stock, voting together as a single class were entitled to elect one director of the Company. The holders of Series B and Series B-2 convertible preferred stock, voting together as a single class, were entitled to together elect one director of the Company. The holders of the convertible preferred stock and common stock (voting together as a single class and not as separate series, and with the preferred stock voting on an as-converted basis using then-effective conversion prices) were entitled to elect any remaining directors of the Company.

Dividends

The holders of shares of Series B, Series B-1 and Series B-2 convertible preferred stock were entitled to non-cumulative dividends, out of any assets legally available therefore, on a pari passu basis and prior and in preference to any declaration or payment of any dividend on the Series A, Series A-1 and Series A-2 convertible preferred stock, or common stock of the Company, at the rate of $0.5847768 per calendar year for each share of Series B, Series B-1 and Series B-2 convertible preferred stock, payable when, as and if declared by the board of directors.

The holders of shares of Series A, Series A-1 and Series A-2 convertible preferred stock were entitled to non-cumulative dividends, out of any assets legally available therefore, on a pari passu basis and prior and in preference to any declaration or payment of any dividend on the common stock of the Company, at the rate of $0.4382 per calendar year for each share of Series A, Series A-1 and Series A-2 preferred stock, payable when, as and if declared by the board of directors.

Declared but unpaid dividends with respect to a share of preferred stock shall, upon conversion of such share to common stock, be paid to the extent assets are legally available therefore in cash. There were no cash dividend declared through the Closing.

Liquidation

In the event of any liquidation event, the holders of Series B-2 convertible preferred stock would be entitled to receive, on a pari passu basis and prior and in preference to any distribution of the proceeds of such liquidation event (“Proceeds”) to the holders of

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Series A-2 convertible preferred stock, Series B convertible preferred stock, Series B-1 convertible preferred stock, Series A convertible preferred stock, Series A-1 convertible preferred stock and common stock, an amount per share equal to the Series

B original issue price of $7.3097 per share, plus declared but unpaid dividends on each such share (the "Series B-2 Liquidation Preference").

Subject to the payments set forth above, in the event of any liquidation event, the holders of Series A-2 convertible preferred stock would be entitled to receive, on a pari passu basis and prior and in preference to any distribution of the Proceeds of such liquidation event to the holders of Series B convertible preferred stock, Series B-1 convertible preferred stock, Series A convertible preferred stock, Series A-1 convertible preferred stock and common stock, an amount per share equal to the Series A original issue price of $5.4779 per share, plus declared but unpaid dividends on each such share (the "Series A-2 Liquidation Preference").

Subject to the payments set forth above, in the event of any liquidation event, the holders of Series B convertible preferred stock and Series B-1 convertible preferred stock would be entitled to receive, on a pari passu basis and prior and in preference to any distribution of the Proceeds of such liquidation event to the holders of Series A convertible preferred stock, Series A-1 convertible preferred stock and common stock, an amount per share equal to the Series B original issue price of $7.3097 per share, plus declared but unpaid dividends on each such share (the "Series B Liquidation Preference").

Subject to the payments set forth above, the holders of Series A convertible preferred stock and Series A-1 convertible preferred stock would be entitled to receive, on a pari passu basis and prior and in preference to any distribution of the Proceeds of such Liquidation Event to the holders of common stock, an amount per share equal to the Series A issue price of $5.4779, plus declared but unpaid dividends on each such share (the "Series A Liquidation Preference").

Upon the completion of the distributions above, the remaining Proceeds available for distribution to stockholders, if any, would be distributed ratably among the holders of convertible preferred stock and common stock in proportion to the number of shares of common stock that would be held by each such holder if all shares of convertible preferred stock were converted into common stock at the then effective conversion price.

Conversion

Each share of convertible preferred stock can be converted, at the option of the holder thereof, at any time after the date of issuance of such share into such number of fully paid and non-assessable shares of common stock. The conversion rate is 1:1 initially.

Each share of convertible preferred stock would automatically convert into shares of common stock based on the applicable conversion rate at the time in effect upon the earlier of (A) immediately prior to the closing, and conditioned upon such closing, of the sale of the Company's common stock in an underwritten public offering at a public offering price per share of not less than (w) $7.3097 minus the sum of (x) the fair market value of the per unit membership interest of A1, as determined by the board of directors of the Company in good faith (the "A-1 Per Unit Price") plus (y) the fair market value of the per unit membership interest of AC HoldCo, as determined by the board of directors of the Company in good faith (the "AC Per Unit Price") plus (z) the fair market value of the per unit membership interest of Z HoldCo, as determined by the board of directors of the Company in good faith (together with the A-1 Per Unit Price and the AC Per Unit Price, the "Aggregate Spin-Out Value"), and yielding net proceeds (after discounts and commissions) to the Company of at least $50 million, or (B) on the date specified by affirmative vote at a meeting or by written consent from the holders of at least two-thirds **of the convertible preferred stock then outstanding, voting as a single class on an as-converted-to-common stock basis (the "Preferred Supermajority").**

In the event that the Preferred Supermajority enacts a conversion of the Series A Preferred Stock in conjunction with the consummation of an initial public offering of the common stock in which the public offering price per share of the common stock (the "IPO Per Share Price") is less than 71.4286% of the then effective per share Series A-2 Liquidation Preference (the "Adjusted Series A-2 Preference Amount"), then the number of shares of common stock issuable with respect to each share of Series A convertible preferred stock, each share of Series A-1 convertible Preferred Stock and each share of Series A-2 convertible preferred stock will be equal to the greater of (A) the quotient obtained by dividing (x) the Adjusted Series A-2 Preference Amount by (y) the IPO Per Share Price, or (B) the quotient obtained by dividing the Series A original issue price of $5.4779 per share by the applicable conversion price for such series of the Series A Preferred Stock, each as in effect on the date of effective conversion.

In the event of an automatic conversion in conjunction with the consummation of an initial public offering of the common stock in which the IPO Per Share Price is less than the Series B original issue price of $7.3097 per share, then the applicable conversion

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price for the Series B convertible preferred stock, the Series B-1 convertible preferred stock and the Series B-2 convertible preferred stock for purposes of the approved conversion will be the IPO Per Share Price, rounded to the nearest whole cent with one-half cent rounded up.

Redemption

The convertible preferred stock was not mandatorily redeemable. The Company classified the convertible preferred stock as temporary equity on the accompanying Predecessor's consolidated balance sheets as these shares could be redeemed upon the occurrence of certain change in control events that are outside of the Company's control.

Convertible Preferred Stock Warrants

Pursuant to the terms of the Company's Bridge Note, in 2016 the Company issued Longitude warrants to purchase 342,011 shares of the Company's Series B convertible preferred stock at an exercise price of $7.3097 per share. The warrants are exercisable, in whole or in part, from the date of issuance and expired on May 31, 2023.

Note 10. Common Stock

Predecessor

As of December 31, 2022 (Predecessor), the Predecessor's certificate of incorporation, as amended and restated, authorized the Predecessor to issue up to 207,450,050 shares of common stock at a par value of $0.0001 per share. As of December 31, 2022 (Predecessor), 138,848,177 shares were issued and 138,825,356 shares were outstanding. The holders of common stock were entitled to receive dividends whenever funds are legally available, when and if declared by the Predecessor's board of directors, subject to the prior rights of the holders of the Predecessor's convertible preferred stock. As of December 31, 2022 (Predecessor), no cash dividend had been declared to date. Each share of common stock was entitled to one vote. The number of authorized shares of common stock could be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of shares of preferred stock and common stock, voting together as a single class.

At the effective time of the Merger (the "Effective Time"), (i) each outstanding share of Old AEON common stock (on an as-converted basis after taking into effect the conversion of the outstanding warrants of Old AEON exercisable for shares of Old AEON preferred stock, the conversion of the shares of Old AEON preferred stock into Old AEON common stock in accordance with the governing documents of Old AEON as of the Effective Time, the conversion of the outstanding convertible notes of Old AEON into Old AEON common stock in accordance with the terms of such convertible notes and after giving effect to the issuance of Old AEON common stock in connection with the merger of ABP Sub, Inc. with and into Old AEON) issued and outstanding immediately prior to the Effective Time converted into the right to receive approximately 2.328 shares of the Company's common stock. In addition, each share of Priveterra Class B common stock ("Founder Shares"), par value $0.0001 per share, issued and outstanding immediately prior to the Effective Time converted into one share of common stock (of which 3,450,000 Founder Shares are subject to certain vesting and forfeiture conditions).

Successor

As of December 31, 2023 (Successor), the Company's certificate of incorporation, as amended and restated, authorized the Company to issue up to 500,000,000 shares of common stock at a par value of $0.0001 per share. As of December 31, 2023 (Successor), 37,159,600 shares were issued and outstanding**. The holders of common stock are entitled to receive dividends whenever funds are legally available, when and if declared by the Company's Board. As of December 31, 2023 (Successor), no cash dividend has been declared to date. Each share of common stock is entitled to one vote. See to** Note 3 Forward Merger **for more information on the number of shares of common stock outstanding immediately following the Merger.**

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Common Stock Reserved

The table below summarizes the Company's reserved common stock for further issuance as of December 31, 2023 (Successor) and December 31, 2022 (Predecessor):

	December 31,	
	2023	2022
Conversion of convertible preferred stock	—	21,257,708
Stock options issued and outstanding	3,846,972	9,694,890
Restricted stock units (unvested)	1,012,994	—
Shares available for future issuance under the stock incentive plan	3,536,710	27,884,000
Warrants	14,479,999	—
Contingent consideration	16,000,000	—
Convertible preferred stock warrants outstanding	—	342,011
Total common stock reserved	38,876,675	59,178,609

Note 11. Share-based Compensation Stock Incentive Plans

AEON 2013 Stock Incentive Plan (Predecessor)

In 2013, the Predecessor established its 2013 Stock Incentive Plan (the "2013 Stock Incentive Plan") as amended from time to time, that provides for the granting of nonqualified stock options, restricted stock and stock appreciation rights to employees, members of the board of directors and non-employee consultants. The 2013 Stock Incentive Plan provides for stock options to be granted with exercise prices not less than the estimated fair value of the Predecessor's common stock, and incentive options to be granted to individuals owning more than 10% of the total combined voting power of all classes of stock of the Predecessor with exercise prices not less than 110% of the estimated fair value of the Predecessor's common stock on the date of grant. Stock options granted generally expire ten years after their original date of grant and generally vest between three years to four years with 25% vesting on the first anniversary of the date of grant and then monthly vesting after that. Stock options granted to a 10% stockholder are exercisable up to five years from the date of grant. Restricted stock awards granted generally become fully vested between one to three years.

As of December 31, 2022 (Predecessor), the aggregate number of shares available for future grant under the 2013 Stock Incentive Plan was 27,884,000 shares. Upon the Closing, the 2013 Stock Incentive Plan was terminated and the stock options were cancelled.

The following table summarizes stock option activity under the Predecessor's 2013 Stock Incentive Plan:

	Number of Shares	Weighted Average Exercise Price
Predecessor		
Outstanding, January 1, 2022	10,516,525	$ 1.51
Options granted	—	—

Options forfeited	(821,635)		1.23
Outstanding, December 31, 2022	9,694,890		1.53
Exercisable, December 31, 2022	9,694,890	$	1.53
Outstanding, January 1, 2023	9,694,890	$	1.53
Options granted	—		—
Options forfeited	—		—
Options cancelled in connection with Merger	(9,694,890)		1.53
Outstanding, July 21, 2023	—		—
Exercisable, July 21, 2023	—	$	—

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As of December 31, 2022 (Predecessor), the weighted average remaining contractual life of options outstanding and options exercisable were 2.5 years. The aggregate intrinsic value of options outstanding and options exercisable at December 31, 2022 (Predecessor) was $0.3 million. The aggregate intrinsic value was calculated as the difference between the exercise price of the underlying options and the estimated fair value of the Predecessor's common stock at December 31, 2022 (Predecessor).

All awards were vested prior to 2022. As such during the periods from January 1, 2023 to July 21, 2023 (Predecessor) and July 22, 2023 to December 31, 2023 (Successor), and the year ended December 31, 2022, the Company did not recognize share-based compensation expense related to stock options granted under the 2013 Stock Incentive Plan. As of December 31, 2022 and December 31, 2023, there was no unrecognized compensation expense related to non-vested stock options.

2019 Incentive Award Plan

In June 2019, ABP Sub Inc., the Predecessor's wholly owned subsidiary, established its 2019 Incentive Award Plan (the "2019 Incentive Award Plan"), as amended from time to time, that provides for the granting of incentive and nonqualified stock options, restricted stock units, restricted stock and stock appreciation rights to its employees, members of the board of directors and non-employee consultants. The 2019 Incentive Award Plan has similar grant terms as the Company's 2013 Stock Incentive Plan.

In connection with the Merger, the Successor assumed the 2019 Incentive Award Plan and all options and RSU awards that were outstanding immediately prior to the Merger were converted into substantially similar awards covering shares of the Successor's common stock based on a conversion ratio of approximately 77.65 to 1 share. Additionally, the exercise price for the awards were repriced to $10.00 for all options. The options and RSU awards have lock-up provisions of one year from the Closing. The fair value of the replacement awards that were vested, based on the value immediately prior to the Merger, of $13.3 million were included as purchase consideration (see Note 3 Forward Merger for additional information). The remaining value of the replacement awards will be recognized in the successor period as compensation expense over the remaining vesting period, which includes stock-based compensation expense of $1.0 million recorded in the successor period for the impact of the stock option repricing.

Prior to the consummation of the Merger, a total of 237,500 shares of ABP Sub Inc. common stock were available for issuance under the 2019 Incentive Award Plan. Following the effective date of the 2023 Plan, in the event that an outstanding award expires or is cancelled for any reason, the shares allocable to the unexercised or cancelled portion of such award from the 2019 Incentive Award Plan will be added back to the shares of common stock available for issuance under the 2023 Incentive Award Plan.

At the Closing, ABP had granted options to purchase a total of 45,130 ABP Sub options which converted into options to purchase 3,515,219 shares of the Company's common stock, and a total of 15,059 RSU awards, which converted into RSU

awards covering 1,169,366 shares of the Company's common stock. Of such RSU awards, 127,801 RSUs accelerated vesting concurrently with the Merger. As such, the Company included an additional $1.8 million in purchase consideration (see Note 3 Forward Merger for additional information). Additionally, of such RSU awards, 466,468 RSU's contained performance-based vesting criteria based on the achievement of the same milestones as the contingent consideration (see Note 6 Fair Value Measurements for additional information). As of December 31, 2023, the milestones 1 and 2 were determined to be probable, and the Company expenses the proportionate RSU's over the vesting term, calculated as the period from the date the milestone was determined to be probable and the expected achievement date of the milestone. For the period from July 22, 2023 to December 31, 2023 (Successor), the Company has recognized $0.4 million in selling, general and administrative expenses and a de minimus amount in research and development expenses associated with such performance based RSU's in the Successor's consolidated statement of operations.

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The following table summarizes stock option activity under 2019 Incentive Award Plan:

	Number of Shares	Weighted Average Exercise Price
Predecessor		
Outstanding, January 1, 2022	38,172	$ 986.36
Options granted	16,437	898.58
Options forfeited	(9,075)	965.92
Outstanding, December 31, 2022	45,534	958.75
Exercisable, December 31, 2022	23,155	$ 958.86
Outstanding, January 1, 2023	45,534	$ 958.75
Options granted	—	—
Options forfeited	(404)	1,021.98
Outstanding, July 21, 2023	45,130	959.06
Exercisable, July 21, 2023	30,968	$ 956.64
Successor		
Outstanding, July 22, 2023 (converted)	3,515,219	$ 10.00
Options granted	—	—
Options forfeited	—	—
Outstanding, December 31, 2023	3,515,219	10.00
Exercisable, December 31, 2023	—	$ —

There were no options granted in the 2019 Incentive Plan during 2023. The weighted average fair value of options granted during the year ended December 31, 2022 was $488.02. There were no options granted in 2023.

As of December 31, 2022 and December 31, 2023, the weighted average remaining contractual life of options outstanding and options exercisable was 8.1 years and 7.1 years.

During the periods from January 1, 2023 to July 21, 2023 (Predecessor) and July 22, 2023 to December 31, 2023 (Successor), and the twelve months ended December 31, 2022 (Predecessor), the Company recognized $2.7 million, $2.4 million and $5.9 million, respectively, of share-based compensation expense related to stock options granted.

As of December 31, 2022 and December 31, 2023, total unrecognized compensation expense related to nonvested stock options was $12.3 million and $4.9 million, respectively, which is expected to be recognized over the weighted-average remaining requisite service period of 24 months and 10 months, respectively.

The following table summarizes restricted stock units activity under the 2019 Incentive Award Plan:

	Number of Shares	Weighted Average Grant Date Fair Value
Successor		
Outstanding, July 22, 2023	—	$ —
Granted	1,169,366	10.84
Vested	(127,801)	10.84
Forfeited	(28,571)	10.84
Outstanding, December 31, 2023	1,012,994	$ 10.84

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During the periods from January 1, 2023 to July 21, 2023 (Predecessor) and July 22, 2023 to December 31, 2023 (Successor), the Company recognized $0.5 million and $0.8 million, respectively, of share-based compensation expense related to restricted stock units granted.

As of December 31, 2023, total unrecognized compensation expense related to nonvested restricted stock units was $9.6 million, which is expected to be recognized over the weighted-average remaining requisite service period of 31 months.

AEON Biopharma Inc 2023 Incentive Award Plan

In connection with the Merger, the Company's Board adopted, and its stockholders approved, the 2023 Plan, which became effective upon the consummation of the Merger, that provides for the granting of nonqualified stock options, restricted stock and stock appreciation rights to employees, members of the Board and non-employee consultants. The 2023 Plan will remain in effect until July 3, 2033, the tenth anniversary of the date the Company's stockholders approved the 2023 Plan, unless earlier terminated. Stock options granted generally expire ten years after their original date of grant and generally vest between three years to four years with equal installments vesting on each anniversary of the grant date, subject to continued service through the applicable vesting date.

The initial aggregate number of shares of the Company's common stock available for issuance under the 2023 Plan is equal to (a) 3,839,892 shares of common stock and (b) any shares which, as of the effective date of the 2023 Plan, are subject to an award outstanding under the ABP 2019 Plan (each, a "Prior Plan Award"), and which, on or following the effective date of the 2023 Plan, become available for issuance under the 2023 Plan as provided in the 2023 Plan. In addition, the number of shares of common stock available for issuance under the 2023 Plan will be annually increased on January 1 of each calendar year beginning in 2024 and ending in 2033 by an amount equal to the lesser of (i) 4% of the number of fully-diluted number of shares outstanding on the final day of the immediately preceding calendar year or (ii) such other number of shares as is determined by the Board. Any shares issued pursuant to the 2023 Plan may consist, in whole or in part, of authorized and unissued common stock, treasury common stock or common stock purchased on the open market.

	Weighted

	Number of Shares	Average Exercise Price
Outstanding, July 22, 2023	—	$ —
Options granted	331,753	5.47
Options forfeited	—	—
Outstanding, December 31, 2023	331,753	$ 5.47
Exercisable, December 31, 2023	—	$ —

The weighted average fair value of options granted in 2023 was $3.18. The weighted average remaining contractual life of options outstanding and options exercisable was 9.6 years. During the periods from July 22, 2023 to December 31, 2023 (Successor), the Company recognized $0.1 million of share-based compensation expense related to stock options granted. As of December 31, 2023, total unrecognized compensation expense related to nonvested stock options was $0.9 million, which is expected to be recognized over the weighted-average remaining requisite service period of 35 months.

Share-based Compensation Expense and Valuation Information

The Company accounts for the measurement and recognition of compensation expense for all share-based awards based on the estimated fair value of the awards. The fair value of share-based awards is amortized on a straight-line basis over the requisite service period. The Company records share-based compensation expense net of actual forfeitures.

During the periods from January 1, 2023 to July 21, 2023 (Predecessor) and July 22, 2023 to December 31, 2023 (Successor), and the twelve months ended December 31, 2022 (Predecessor), the Company recognized $2.8 million, $3.1 million and $5.9 million, respectively, of share-based compensation expense in selling, general and administrative expenses, respectively, and $0.4 million, $0.8 million and $1.3 million, respectively, in research and development expenses in the accompanying consolidated statements of operations and comprehensive (loss) income.

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The fair value of stock options under the 2019 Stock Incentive Award Plan was estimated using the following assumptions:

	December 31, 2023	December 31, 2022
Expected volatility	57%	47% – 61%
Risk-free interest rate	4.1% – 4.4%	1.87% – 3.92%
Expected life (in years)	3.00-6.25	5.75 – 6.25
Expected dividend yield	—	—

Fair Value of the Underlying Common Stock. For Predecessor periods, since the Predecessor's common stock was not traded in a public stock market exchange, the Board considered numerous factors including new business and economic developments affecting the Predecessor and independent appraisals, when appropriate, to determine the fair value of the Predecessor's common stock. Independent appraisal reports were prepared using valuation techniques, such as discounted cash flow analyses, from which a discount factor for lack of marketability was applied. This determination of the fair value of the common stock was performed on a contemporaneous basis. The Board determined the Company's common stock fair value on

an as needed basis. For Successor periods, the fair value of the stock price is the closing price for the Company's common stock as reported on the NYSE American.

***Expected Life*.** **The expected life is calculated using the simplified method as the Company does not have sufficient historical information to provide a basis for the estimate. The simplified method is based on the average of the vesting tranches and the contractual life of each grant.**

***Expected Volatility*.** **The expected volatility is estimated based on a study of selected publicly traded peer companies as the Company does not have any trading history for its common stock. The Company selected the peer group based on similarities in industry, stage of development, size and financial leverage with the Company's principal business operations. For each grant, the Company measured historical volatility over a period equivalent to the expected life.**

***Risk-free Interest Rate*.** **The risk-free interest rate is based on the yield available on U.S. Treasury zero-coupon issues whose term is similar in duration to the expected life of the respective stock option.**

***Expected Dividend Yield*.** **The Company has not paid and does not anticipate paying any dividends on its common stock in the foreseeable future. Accordingly, the Company has estimated the dividend yield to be zero.**

Note 12. Subsequent Events

The Company has further evaluated subsequent events for recognition and remeasurement purposes as of and for the twelve months ended December 31, 2023. After review and evaluation, management has concluded that there were no material subsequent events as of the date that the financial statements were available to be issued, except as discussed below.

Termination of Forward Purchase Agreements

On March 18, 2024, the Company and ACM ARRT J LLC ("ACM") entered into a termination agreement (the "ACM Termination Agreement") terminating that certain Forward Purchase Agreement, dated June 29, 2023, by and among the Company and ACM (the "ACM FPA"). The ACM Termination Agreement provides that (i) ACM will retain 3,100,000 previously issued shares of Common Stock held by ACM pursuant to the ACM FPA and its respective subscription agreement (the "ACM Retained Shares") and (ii) the Company will be subject to up to $1,500,000 in liquidated damages if it fails to meet certain registration requirements for the ACM Retained Shares, subject to certain conditions set forth in the ACM Termination Agreement. ACM did not pay any cash to the Company for the ACM Retained Shares and retained all portions of the Prepayment Amount associated with the ACM Retained Shares.

On March 18, 2024, the Company and Polar entered into a termination agreement (the "Polar Termination Agreement") terminating that certain Forward Purchase Agreement, dated June 29, 2023, by and among the Company and Polar (the "Polar FPA"). The Polar Termination Agreement provides that (i) Polar will retain 3,175,000 previously issued shares of Common Stock held by Polar pursuant to the Polar FPA and its respective subscription agreement (the "Polar Retained Shares") and (ii) the Company will be subject to up to $1,500,000 in liquidated damages if it fails to meet certain registration requirements for the Polar Retained Shares,

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subject to certain conditions set forth in the Polar Termination Agreement. Polar did not pay any cash to the Company for the Polar Retained Shares and retained all portions of the Prepayment Amount associated with the Polar Retained Shares.

As a result of the ACM Termination Agreement and Polar Termination Agreement, the Company expects to record a charge to the consolidated statement of operations of approximately $20.3 million during the quarter ended March 31, 2024 to reverse the related subscription receivable and derivative liability on the accompanying consolidated balance sheet.

Convertible Note Subscription and License Agreement Amendment

On March 19, 2024, the Company entered into a subscription agreement with Daewoong (the "Subscription Agreement") relating to the sale and issuance by the Company of senior secured convertible notes (each, a "Convertible Note" and together, the "Convertible Notes") in the principal amount of up to $15.0 million, which are convertible into shares of the Company's common stock, subject to certain conditions and limitations set forth in each Convertible Note. Each Convertible Note will contain customary events of default, will accrue interest at an annual rate of 15.79% and will have a maturity date that is three years from the funding date, unless earlier repurchased, converted or redeemed in accordance with its terms prior to such date. The Company will use the net proceeds from each Convertible Note to support the late-stage clinical development of its lead product candidate ABP-450 and for general working capital purposes. Pursuant to the terms of the Subscription Agreement, on March 24, 2024, the Company issued and sold to Daewoong one Convertible Note in the principal amount of $5.0 million. The Subscription Agreement further provides that the Company will issue and sell to Daewoong a second Convertible Note in the principal amount of $10.0 million no later than thirty (30) days following the Company's compliance with certain conditions set forth in the Subscription Agreement, including the Company's execution of an amendment to that certain License and Supply Agreement, by and between the Company and Daewoong, dated December 20, 2019, as amended on July 29, 2022, January 8, 2023 and April 24, 2023 (the "License Agreement").

On March 19, 2024, the Company entered into a Fourth Amendment to the License Agreement (the "License Agreement Amendment") with Daewoong, which amends the License Agreement. Pursuant to the terms of the License Agreement Amendment, the License Agreement will terminate if, over any six month period, (a) the Company ceases to commercialize ABP-450 in certain territories specified in the License Agreement and (b) the Company ceases to advance any clinical studies of ABP-450 in such territories. The License Agreement Amendment also provides that, in the event that the License Agreement is terminated for the foregoing reasons, Daewoong will have the right to purchase all Know-How (as defined in the License Agreement) related to ABP-450 for a price of $1.00 (the "Termination Purchase Right"). The Termination Purchase Right will terminate and expire upon Daewoong's sale of 50% of its common stock, including common stock held by its affiliates and common stock that would be issued upon an Automatic Conversion or Optional Conversion (as defined in the Convertible Notes).

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Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are designed to ensure that information required to be disclosed by us in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specific in the SEC rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Per Rules 13a-15(e) and 15d-15(e), the term disclosure controls and procedures means controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Exchange Act (15 U.S.C. 78a et seq.) is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the

Exchange Act is accumulated and communicated to the issuer's management, including its Chief Executive Officer and Chief Financial Officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Our Chief Executive Officer and Chief Financial Officer ("certifying officers") have conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)) as of December 31, 2023. Our certifying officers concluded that, as a result of the material weaknesses in internal control over financial reporting as described below, our disclosure controls and procedures were not effective as of December 31, 2023.

Management's Annual Report on Internal Control over Financing Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) under the Exchange Act. Under the supervision and with the participation of senior management, including our Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of our internal control over financial reporting based on the framework in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Based on the evaluation under that framework and applicable SEC rules, our management concluded that our internal control over financial reporting was not effective as of December 31, 2023 as a result of the material weaknesses in internal control over financial reporting as described below.

Our certifying officers concluded that the Company did not have an effective risk assessment over complex transactions due to the lack of sufficient and qualified resources. This led to a deficiency in the design and implementation of controls to review data inputs used in the valuation of financial instruments. The material weaknesses resulted in a restatement of our financial statements as described in the Explanatory Note to the Quarterly Report Form 10Q/A filed on March 29, 2024.

Additionally, as previously disclosed, on July 21, 2023, AEON completed a Merger with Old AEON and Merger Sub, pursuant to which Merger Sub merged with and into Old AEON, with Old AEON surviving the merger as a wholly-owned subsidiary of AEON. Prior to the Merger, Priveterra was a special purpose acquisition company formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization, or other similar business combination with one or more target businesses. As a result, previously existing internal controls are no longer applicable or comprehensive enough as of the assessment date considering the Company's operations prior to the Merger were insignificant compared to those of the Post-Combination Company. The design and implementation of internal controls over financial reporting for the Post-Combination Company has required and will continue to require significant time and resources from February 11, 2023 management and other personnel.

Based on our assessment, we have continued to August 11, 2023. In connection with the vote at the special meeting, the holders of 25,597,728 shares of Class A Common Stock, par value $0.0001 per share, properly exercised their right to redeem their shares for cash at identify a redemption price of approximately $10.11 per share, for an aggregate redemption amount of approximately $258,793,030.08. The remaining shares to be redeemed is 2,002,272.

On January 11, 2023, the Company and AEON entered into interim financing letter agreements with certain investors for a total aggregate amount of $20 million.

On January 5, 2023, material weakness in connection with Priveterra's internal controls around the Business Combination proposal, interpretation and accounting for extinguishment of a purposed shareholder significant contingent obligation as of December 31, 2022 that were not effectively designed or maintained.

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Remediation Status of Material Weaknesses in Internal Control over Financial Reporting

We plan to enhance our processes by designing and implementing controls to review the results of valuations and estimates, including the completeness and accuracy of relevant data elements included in the valuation or estimate. We also plan to engage additional qualified resources and/or hire additional staff to ensure these incremental controls are properly implemented.

Management continues to be actively engaged to take steps to remediate the material weaknesses, including transition of financial reporting responsibilities from Priveterra to AEON and enhanced processes to identify and appropriately apply applicable accounting requirements to better evaluate and understand the nuances of the complex accounting standards that apply to our consolidated financial statements, providing enhanced access to accounting literature, research materials and documents, and increased communication among our personnel and third-party professionals with whom we consult regarding complex accounting applications.

Changes in Internal Control over Financial Reporting

Management has continued to take action to remediate the material weaknesses during the annual period ended December 31, 2023. However, the material weaknesses will not be considered remediated until management designs and implements effective controls that operate for a sufficient period of time and management has concluded, through testing, that these controls are effective.

Other than described above, there has not been any changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15(d)-15(f) under the Exchange Act) during the year to which this Report relates that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

Inherent Limitations of Internal Controls

Our management, including our chief executive officer and chief financial officer, does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors and all fraud due to inherent limitations of internal controls. Because of such limitations, there is a risk that material misstatements will not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

Item 9B. Other Information

During the fiscal year ended December 31, 2023, no director or officer of the Company filed adopted or terminated a complaint "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement" (in each case, as defined in Item 408 of Regulation S-K).

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

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PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information regarding director, officers and corporate governance is incorporated by reference to the information under the caption "Directors, Executive Officers and Corporate Governance" that will be included in the United States District Court AEON Biopharma, Inc. 2024 Proxy Statement.

Item 11. Executive Compensation

The information regarding executive compensation is incorporated by reference to the information under the caption "Executive Compensation" that will be included in the AEON Biopharma, Inc. 2024 Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information regarding beneficial ownership and related stockholder matters are incorporated by reference to the information under the caption "Security Ownership of Certain Beneficial Owners and Management" and "Related Stockholder Matters" that will be included in the AEON Biopharma, Inc. 2024 Proxy Statement.

Item 13. Certain Relationships and Related Transactions and Director Independence

The information regarding related party transactions and director independence are incorporated by reference to the information under the caption "Certain Relationships and Related Transactions" and "Director Independence" that will be included in the AEON Biopharma, Inc. 2024 Proxy Statement.

Item 14. Principal Accountant Fees and Services

The information regarding principal accountant fees and services is incorporated by reference to the information under the caption "Principal Accountant Fees and Services" that will be included in the AEON Biopharma, Inc. 2024 Proxy Statement.

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PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) Documents filed as part of this Form 10-K.

- **(1)** Financial Statements: See Item 8, "Financial Statements and Supplementary Data" for a list of financial statements.
- **(2)** Financial Statement Schedules: All schedules omitted are inapplicable or the information required is shown in the consolidated financial statements or notes thereto.
- **(3)** Exhibits Required by Item 601 of Regulation S-K: The information called for by this paragraph is set form in Item 15(b) below.

(b) Exhibits: See Exhibit Index

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EXHIBIT INDEX

Exhibit No.	Description
2.1*	Business Combination Agreement, dated as of December 12, 2022, by and among Priveterra Acquisition Corp., Priveterra Merger Sub, Inc. and AEON Biopharma, Inc. (incorporated by reference to Exhibit 2.1 to the Form 8-K filed by Priveterra Acquisition Corp. with the SEC on December 13, 2022)
2.1(a)*	Amendment No. 1 to Business Combination Agreement, dated as of April 27, 2023, by and among Priveterra Acquisition Corp., AEON Biopharma, Inc. and Priveterra Merger Sub, Inc. (incorporated by reference to Exhibit 2.1 to the Form 8-K filed by Priveterra Acquisition Corp. with the SEC on May 1, 2023)
3.1	Third Amended and Restated Certificate of Incorporation of AEON Biopharma, Inc. (incorporated by reference to Exhibit 3.1 to the Form 8-K filed by the Company with the SEC on July 27, 2023)
3.2	Amended and Restated Bylaws of AEON Biopharma, Inc. (incorporated by reference to Exhibit 3.2 to the Form 8-K filed by the Company with the SEC on July 27, 2023)
4.1	Warrant Agreement between Priveterra Acquisition Corp. and Continental Stock Transfer & Trust Company, dated as of February 8, 2021 (incorporated by reference to Exhibit 4.1 to the Form 10-K filed by Priveterra Acquisition Corp. with the SEC on March 28, 2022)
4.2	Specimen Warrant Certificate (incorporated by reference to Exhibit 4.1 to the Form 10-K filed by Priveterra Acquisition Corp. with the SEC on March 28, 2022)
4.3	Form of Senior Secured Convertible Note, by and among AEON Biopharma, Inc., Daewoong Pharmaceutical Co., LTD. and AEON Biopharma Sub, Inc. (incorporated by reference to Exhibit 4.1 to the Form 8-K filed by the Company with the SEC on March 19, 2024)
10.1+	Amended and Restated Employment Agreement, by and between AEON Biopharma, Inc. and Marc Forth (incorporated by reference to Exhibit 10.11 to the Form 8-K filed by the Company with the SEC on July 27, 2023)
10.2+	Employment Agreement, by and between AEON Biopharma, Inc. and Chad Oh (incorporated by reference to Exhibit 10.12 to the Form 8-K filed by the Company with the SEC on July 27, 2023)
10.3+	Employment Agreement, by and between AEON Biopharma, Inc. and Alex Wilson (incorporated by reference to Exhibit 10.13 to the Form 8-K filed by the Company with the SEC on July 27, 2023)
10.4+	Amended and Restated Registration Rights Agreement, dated as of July 21, 2023, by and between AEON Biopharma, Inc. and the stockholders party thereto (incorporated by reference to Exhibit 10.20 to the Form 8-K filed by the Company with the SEC on July 27, 2023)
10.5	Termination Agreement, dated March 18, 2024, by and between AEON Biopharma, Inc. and ACM ARRT J LLC (incorporated by reference to Exhibit 10.5 to the Form 8-K filed by the Company with the SEC on March 19, 2024)
10.6	Termination Agreement, dated March 18, 2024, by and between AEON Biopharma, Inc. and Polar Multi-Strategy Fund (incorporated by reference to Exhibit 10.6 to the Form 8-K filed by the Company with the SEC on March 19, 2024)
10.7	Subscription Agreement, dated March 19, 2024, by and between AEON Biopharma, Inc., Daewoong Pharmaceutical Co., LTD. and AEON Biopharma Sub, Inc. (incorporated by reference to Exhibit 10.1 to the Form 8-K filed by the Company with the SEC on March 19, 2024)
10.8	Security Agreement, dated March 19, 2024, by and among AEON Biopharma, Inc., Daewoong Pharmaceutical Co., LTD. and AEON Biopharma Sub, Inc. (incorporated by reference to Exhibit 10.2 to the Form 8-K filed by the Company with the SEC on March 19, 2024)
10.9	Guaranty, dated March 19, 2024, by and between Daewoong Pharmaceutical Co., LTD. and AEON Biopharma Sub, Inc. (incorporated by reference to Exhibit 10.3 to the Form 8-K filed by the Company with the SEC on March 19, 2024)
10.10	Fourth Amendment to License and Supply Agreement, dated March 19, 2024, by and between AEON Biopharma, Inc. and Daewoong Pharmaceutical Co., LTD. (incorporated by reference to Exhibit 10.4 to the Form 8-K filed by the Company with the SEC on March 19, 2024)
10.11	Consulting Agreement, by and between AEON Biopharma, Inc. and Eric Carter, M.D., dated January 30, 2020, and amended on January 30 2020 and September 30, 2020

31.1†	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2†	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1†	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2†	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

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97†	AEON Biopharma, Inc. Policy for Recovery of Erroneously Awarded Compensation
101.INS†	XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH†	XBRL Taxonomy Extension Schema Document
101.CAL†	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF†	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB†	XBRL Taxonomy Extension Label Linkbase Document
101.PRE†	XBRL Taxonomy Extension Presentation Linkbase Document
104†	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)

† Filed herewith.

* The annexes, schedules, and certain exhibits to this Exhibit have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company hereby agrees to furnish supplementally a copy of any omitted annex, schedule or exhibit to the SEC upon request.

+ Indicates a management contract or compensatory plan.

Item 16. Form 10-K Summary

None.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, duly authorized.

Date: March 29, 2024

AEON BIOPHARMA, INC.

By: **/s/ Marc Forth**
Name: **Marc Forth**
Title: **President, Chief Executive Officer**

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Marc Forth and Peter Reynolds as such individual's true and lawful attorney in fact and agent with full power of substitution, for the Southern District of New York, against the Company such individual in any and its board of directors, alleging that the registration statement all capacities, to sign any and all amendments to this Annual Report on Form S-4 filed on December 27, 2022 10-K (including post-effective amendments), and to file the same, with all exhibits thereto and other documents in connection therewith, with the SEC omitted material information related Securities and Exchange Commission, granting unto said attorney in fact, proxy and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully for all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney in fact, proxy and agent, or the individual's substitute, may lawfully do or cause to be done by virtue hereof.

Pursuant to the Business Combination. Since the filing requirements of the complaint, several purported shareholders Securities Exchange Act of 1934, this Annual Report has been signed below by the following persons on behalf of the Company have also sent demand letters to registrant and in the Company's counsel, similarly alleging that capacities and on the registration statement filed by the Company on December 27, 2022 with the SEC omitted material information related to the Business Combination and demanding that the Company, its board of directors and/or AEON make supplemental corrective disclosures addressing the alleged deficiencies. dates indicated.

Signature	Title	Date
/s/ Marc Forth Marc Forth	President, Chief Executive Officer and Director *(Principal Executive Officer)*	March 29, 2024
/s/ Peter Reynolds Peter Reynolds	Chief Financial Officer *(Principal Financial Officer and Principal Accounting Officer)*	March 29, 2024
/s/ Jost Fischer Jost Fischer	Chairman of the Board	March 29, 2024
/s/ Shelley Thunen Shelley Thunen	Director	March 29, 2024
/s/ Robert Palmisano Robert Palmisano	Director	March 29, 2024
/s/ Eric Carter Eric Carter	Director	March 29, 2024

On January 23, 2023, the Company and a second underwriter executed a waiver letter confirming the underwriter's waiver of its deferred fee under the terms of the underwriting agreement which represents and additional $4,636,800 of the deferred fee as waived.

Exhibit 3.1(a) 10.11

CONSULTING AGREEMENT

CERTIFICATE OF AMENDMENT TO THE THIS CONSULTING AGREEMENT

(the "SECOND AMENDED AND RESTATED Agreement

") is made and entered into as of January 30, 2020 (the "CERTIFICATE OF INCORPORATION Effective Date

"), by and between AEON Biopharma, Inc., a Delaware corporation (the "OF Company

") and Eric Carter, an individual (the "PRIVETERRA ACQUISITION CORP. Consultant"). The Company and the Consultant may be referred to herein individually as "Party," or collectively, as "Parties".

Priveterra Acquisition Corp. 1.Consulting Services. Commencing on the Effective Date, the Company hereby retains Consultant, and Consultant hereby agrees to perform consulting services for the Company as set forth on Schedule A, as well as other services as may be requested from time to time by Company and accepted by Consultant (the " "Corporation Services" "). The specific nature and amount of the Services shall be as determined by the Company during the term of this Agreement. Consultant shall only devote such time as is described in Schedule A attached hereto to perform Services and shall render the Services at such times as may be mutually agreed upon by Consultant and the Company. Consultant will perform Services, and provide the results thereof, with the highest degree of professional skill and expertise. Consultant may use the assistance of other individuals only with the prior written consent of the Company.

Except as otherwise provided in Schedule A, Consultant will be free of control and direction from the Company (other than general oversight and control over the results of the Services), and will have exclusive control over the manner and means of performing the Services, including the choice of place and time. Consultant will provide, at Consultant's own expense, a place of work and all equipment, tools and other materials necessary to complete the Services; however, to the extent necessary to facilitate performance of the Services, the Company may, in its discretion, make certain of its equipment or facilities available to Consultant at Consultant's request. While on the Company's premises, Consultant agrees to comply with the Company's then-current access rules and procedures, including those related to safety, security and confidentiality. Consultant agrees and acknowledges that Consultant has no expectation of privacy with respect to the Company's telecommunications, networking or information processing systems (including email messages and voice messages) and that Consultant's activities, including the sending or receiving of any files or messages, on or using those systems may be monitored, and the contents of such files and messages may be reviewed and disclosed, at any time, without notice.

2. Compensation. The Company shall pay Consultant in accordance with Schedule A, including the amount and timing of payment for Services and reimbursable expenses. The Company will also reimburse Consultant for expenses actually incurred by Consultant in performing the Services; provided that Consultant shall not incur any expenses without prior written approval of Company. Unless otherwise agreed to by the parties, all normal and customary business expenses incurred by Consultant under this Agreement shall be paid by Consultant, and reimbursed, if such expenses are pre-approved in writing by the Company, by Company upon a showing of evidence of such expenses that is reasonably acceptable to the Company. Consultant shall maintain adequate books and records relating to any expenses to be reimbursed and shall submit requests for reimbursement in a timely manner and form acceptable to the Company.

3. Intellectual Property Rights.

3.1. Consultant agrees to assign and hereby assigns to Company the entire right, title and interest for the entire world in and to all work performed, writings, formulas, ideas, inventions, technologies, discoveries, improvements, know-how, techniques designs, models, drawings, photographs, other inventions and any information ("Work Product") developed, made, conceived or reduced to practice or authorized by Consultant, either solely or jointly with others, during the performance of services relating to the Company and pursuant to this Agreement, or with the use of Confidential Information (as defined below), materials or facilities of the Company received or used by Consultant during the period in which Consultant is retained by the Company (or any successor) under this Agreement. Consultant hereby agrees to: (i) promptly disclose to the Company all Work-Product made, conceived, reduced to practice or authored by Consultant in the course of the performance of this Agreement; and (ii) sign, execute and acknowledge any and all documents, and to perform such acts, as may be necessary or desireable, useful or convenient for the purpose of securing to the Company or its nominees, patent, trademark, or copyright protection throughout the world upon all Work-Product. Consultant further agrees to cooperate and provide reasonable assistance to the Company to enforce United States and foreign patents, copyrights, and other rights and protections claiming, covering or relating to the Work Product

in any and all countries. All Work-Product, and all products purchased by Consultant pursuant to this Agreement and paid for by Company shall be the exclusive property of the Company and shall be delivered to the Company upon termination of this Agreement. Consultant hereby irrevocably appoints the Company as Consultant's attorney-in-fact for the purpose of executing such documents on Consultant's behalf, which appointment is coupled with an interest. If Consultant has any rights, including without limitation "artist's rights" or "moral rights," in the Work Product that cannot be assigned, Consultant hereby unconditionally and irrevocably grants to Company an exclusive (even as to Consultant), worldwide, fully paid and royalty-free, irrevocable, perpetual license, with rights to sublicense through multiple tiers of sublicensees, to use, reproduce, distribute, create derivative works of, publicly perform and publicly display the Work Product in any medium or format, whether now known or later developed. In the event that Consultant has any rights in the Work Product that cannot be assigned or licensed, Consultant unconditionally and irrevocably waives the enforcement of such rights, and all claims and causes of action of any kind against Company or Company's customers.

3.2. Consultant agrees not to use or incorporate into Work Product any intellectual property developed by any third party or by Consultant other than in the course of performing services for Company ("Preexisting IP") unless the Preexisting IP has been specifically identified, described and approved by the Company. In the event Consultant uses or incorporates Preexisting IP into Work Product, Consultant hereby grants to Company a non-exclusive, worldwide, fully-paid and royalty-free, irrevocable, perpetual license, with the right to sublicense through multiple tiers of sublicensees, to use, reproduce, distribute, create derivative works of, publicly perform and publicly display in any medium or format, whether now known or later developed, such Preexisting IP incorporated or used in Work Product.

3.3. Consultant agrees to submit to the Company any proposed publication that contains any discussion relating to the Company, Confidential Information, Work Product or work performed by Consultant for the Company. Consultant further agrees that no such publication shall be made without the prior written consent of the Company, which consent shall not be unreasonably withheld.

4. Confidential Information; Nondisclosure.

4.1. At all times during the term of this Agreement and for a period of five (5) years after the termination of this Agreement, Consultant will hold in strictest confidence and will not disclose, use, lecture upon or publish any of the Company's Proprietary Information (defined below) or Third Party Information (defined below) (hereinafter collectively referred to as "Confidential Information"), except to the extent such disclosure, use or publication may be required in direct connection with Consultant's performing requested Services for the Company or is expressly authorized in writing by an officer of the Company. It is understood that the Proprietary Information will remain the sole property of the Company. Consultant further agrees to take all reasonable precautions to prevent any unauthorized disclosure of the Confidential Information including, but not limited to, having each employee, agent or representative of Consultant, if any, with access to any Confidential Information execute a corporation organized nondisclosure agreement containing provisions in the Company's favor substantially similar to Sections 4, 11 and existing12 of this Agreement; provided that Consultant shall be responsible for any breach of this Agreement by any of its employees, agents or representatives. The non-use and non-disclosure restrictions regarding Confidential Information set forth in this Agreement shall not apply to information that Consultant can establish by competent proof (i) was publicly known and made generally available in the public domain prior to the time of disclosure to Consultant by Company; (ii) becomes publicly known and made generally available after disclosure to Consultant by Company other than as a result of a breach of this Agreement; (iii) is in the possession of Consultant, without confidentiality restrictions, at the time of disclosure by Company as shown by Consultant's files and records; (iv) is obtained by Consultant from a third party not under confidentiality obligations and without a breach of any obligations of confidentiality; or (v) was independently developed by Consultant without use of or benefit from the Confidential Information, as shown by Consultant's files and records. If Consultant becomes compelled by law, regulation (including the rules of any applicable securities exchange), court order, or other governmental authority to disclose the Confidential Information, Consultant shall, to the extent possible and permissible under applicable law, first give Company prompt notice. Consultant will cooperate reasonably with Company in any proceeding to obtain a protective order or other remedy. If such protective order or other remedy is not obtained, Consultant shall only disclose that portion of such Confidential Information required to be disclosed, in the opinion of Consultant's legal counsel. Consultant shall request that confidential treatment be accorded such Confidential Information, where available.

4.2. The term "Proprietary Information" shall mean any and all trade secrets, confidential knowledge, know-how, data or other proprietary information or materials of the Company. By way of illustration but not limitation, Proprietary Information includes: (i) inventions, ideas, samples, prototypes, devices, hardware, software, materials, electronic components, and procedures for producing any such items, as well as data, know-how, improvements, inventions, discoveries, developments, designs and techniques; (ii) information regarding plans for research, development, new products, marketing and selling activities, business models, budgets and unpublished financial statements, licenses, expenses, prices, costs, suppliers and customers; and (iii) information regarding the skills and compensation of employees or other consultants of the Company.

4.3. The term "Third Party Information" shall mean confidential or proprietary information the Company has received and in the future will receive from third parties subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes.

4.4. Consultant acknowledges that the Company has provided the following notice of immunity rights in compliance with the requirements of the Defend Trade Secrets Act: (i) Consultant shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of Confidential Information that is made in confidence to a Federal, State, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, (ii) Consultant shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of Confidential Information that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal and {iii) if Consultant files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Consultant may disclose the Confidential Information to Consultant's attorney and use the Confidential Information in the court proceeding if Consultant files any document containing the Confidential Information under seal, and does not disclose the Confidential Information, except pursuant to court order.

5. Independent Contractor. Consultant's relationship with the Company is that of an independent contractor, and nothing in this Agreement is intended to, or should be construed to, create a partnership, agency, joint venture or employment relationship between the Company and any of Consultant's employees or agents. Consultant is not authorized to make any representation, contract or commitment on behalf of the Company. Consultant (if Consultant is an individual) and Consultant's employees will not be entitled to any of the benefits that the Company may make available to its employees, including, but not limited to, group health or life insurance, profit-sharing or retirement benefits. Because Consultant is an independent contractor, the Company will not withhold or make payments for social security, make unemployment insurance or disability insurance contributions, or obtain workers' compensation insurance on behalf of Consultant. Consultant is solely responsible for, and will file, on a timely basis, all tax returns and payments required to be filed with, or made to, any federal, state or local tax authority with respect to the performance of Services and receipt of fees under this Agreement. Consultant is solely responsible for, and must maintain adequate records of, expenses incurred in the course of performing Services under this Agreement. No part of Consultant's compensation will be subject to withholding by the Company for the payment of any social security, federal, state or any other employee payroll taxes. The Company will regularly report amounts paid to Consultant by filing Form 1099-MISC with the Internal Revenue Service as required by law. If, notwithstanding the foregoing, Consultant is reclassified as an employee of the Company, or any affiliate of the Company, by the U.S. Internal Revenue Service, the U.S. Department of Labor, or any other federal or state or foreign agency as the result of any administrative or judicial proceeding, Consultant agrees that Consultant will not, as the result of such reclassification, be entitled to or eligible for, on either a prospective or retrospective basis, any employee benefits under any plans or programs established or maintained by the Company.

6. Consultant Representations and Warranties. Consultant represents and warrants that: (a) the Services will be performed in a professional manner and in accordance with all applicable laws and the industry standards and the Work Product will comply with the requirements set forth in Schedule A, (b) Consultant's entry into this Agreement and the performance of the Services for the Company does not and will not breach or conflict with any agreement with, or duty to, a third party, including an agreement to keep in confidence any proprietary information of another entity acquired by Consultant in confidence or in trust prior to the date of this Agreement; (c) the Work Product will be an original work of Consultant, (d) Consultant has the right and unrestricted ability to assign the ownership of Work Product to Company as set forth in Section 3 (including

without limitation the right to assign the ownership of any Work Product created by Consultant's employees or contractors), (e) neither the Work Product nor any element thereof will infringe upon or misappropriate any copyright, patent, trademark, trade secret, right of publicity or privacy, or any other proprietary right of any person, whether contractual, statutory or common law, (f) Consultant has an unqualified right to grant to Company the license to Preexisting IP set forth in Section 3.2, (g) none of the Work Product incorporates any software code licensed under the GNU General Public License or Lesser General Public License or any other license that, by virtue its terms, requires or conditions the use or distribution of such code on the disclosure, licensing, or distribution of any source code owned or licensed by Company, except as expressly agreed by the Company in writing, and (h) Consultant will comply with all applicable federal, state, local and foreign laws governing self-employed individuals, including laws requiring the payment of taxes, such as income and employment taxes, and social security, disability, and other contributions. Consultant further represents and warrants that Consultant maintains and operates a business that is separate and independent from Company's business; holds himself or herself out to the public as independently competent and available to provide applicable services similar to the Services; has obtained and/or expects to obtain companies or customers other than Company for whom Consultant performs services. Consultant agrees to indemnify and hold Company harmless from any and all damages, costs, claims, expenses or other liability (including reasonable attorneys' fees) arising from or relating to the breach or alleged breach by Consultant of the representations and warranties set forth in this Section 6.

7. No Improper Use of Materials. Consultant agrees not to bring to the Company or to use in the performance of Services for the Company any materials or documents of a present or former employer of Consultant, or any materials or documents obtained by Consultant from a third party under a binder of confidentiality, unless such materials or documents are generally available to the public or Consultant has authorization from such third party for the possession and unrestricted use of such materials. Consultant understands that Consultant is not to breach any obligation of confidentiality that Consultant has to present or former employers or clients, and agrees to fulfill all such obligations during the term of this Agreement.

8. No Conflicts; Noncompetition and Nonsolicitation of Employees. Consultant will refrain from any activity, and will not enter into any agreement or make any commitment, that is inconsistent or incompatible with Consultant's obligations under this Agreement, including Consultant's ability to perform the Services. During the term of this Agreement, Consultant will not, without the prior written consent of the Company's Chief Executive Officer, Chief Medical Officer, Chief Financial Officer or General Corporation Law Counsel, engage in any business activity that competes in any way with any business then being conducted or planned by the Company, provided that Consultant may continue the affiliations set forth in Schedule A. During the term of this Agreement and for one (1) year after its termination, Consultant will not, directly or indirectly recruit, solicit or induce any employee of the Company to terminate his or her employment with the Company. Consultant hereby agrees not to enter into any agreement that conflicts with this Agreement.

9. Term and Termination. This Agreement shall commence on the Effective Date and shall continue for an initial term of one (1) year after the Effective Date, unless earlier terminated as provided below. Consultant or the Company may terminate the Agreement at any time by giving prior written notice to the other Party. The obligations set forth in Sections 3, 4, 5, 6, 8 and 9 through 15. will survive any termination or expiration of this Agreement. Upon termination of this Agreement, Consultant will cease work immediately after giving or receiving such notice of termination, unless otherwise advised by the Company, and promptly deliver to the Company all documents and other materials of any nature pertaining to the Services, together with all documents and other items containing or pertaining to any Confidential Information. Notwithstanding the foregoing, Consultant may retain a single archival copy of any tangible or electronic documents and other materials pertaining to the Services and containing or pertaining to the Confidential Information provided by Company under this Agreement, which copy shall only be used by Consultant and its legal advisors in connection with the review of its obligations under this Agreement.

10. Personal Performance; Assignment. Due to the personal nature of the services to be rendered by Consultant, Consultant may not assign this Agreement in whole or in part. Any attempt to make such an assignment shall be void. The Company may assign all or a portion of its rights and liabilities under this Agreement to a subsidiary, an affiliate or a successor to all or a substantial portion of its business and assets without the necessity of consent from the Consultant. Subject to the foregoing, this Agreement will inure to the benefit of and be binding upon each of the heirs, assigns and successors of the respective parties.

Exhibit 10.11

11. Legal and Equitable Remedies. Because Consultant's Services are personal and unique and because Consultant may have access to and become acquainted with the Confidential Information of the Company, the Company shall have the right to enforce this Agreement and any of its provisions by injunction, specific performance or other equitable relief without prejudice to any other rights and remedies that the Company may have for a breach of this Agreement.

12. Governing Law; Severability. This Agreement will be governed in all respects by the laws of the State of Delaware (the "DGCL"), does hereby certify:

1. The original certificate California as such laws are applied to agreements between California residents entered into and to be performed entirely within California and without giving effect to conflict of incorporation was filed with laws principles. If any provision of this Agreement is found by a court of competent jurisdiction to be unenforceable, that provision shall be severed and the Secretary remainder of State of the State of Delaware on November 17, 2020 (the "Original Certificate"). this Agreement shall continue in full force and effect.

2. 13. Complete Understanding; ModificationA second amended. This Agreement, and restated certificate of incorporation was filed with the Secretary of State Exhibits mentioned herein, constitute the final, exclusive and complete understanding and agreement of the State Parties hereto and supersedes all prior understandings and agreements. Any waiver, modification or amendment of Delaware on February 8, 2021 (the "Amended any provision of this Agreement shall be effective only if in writing and Restated Certificate"). signed by the Parties hereto.

3. 14. Notices. This Amendment Any notices required or permitted hereunder shall be given to the Amended and Restated Certificate, which amends appropriate Party at the provisions address listed on the first page of the Amended and Restated Certificate, was duly adopted Agreement, or such other address as the Party shall specify in accordance with Sections 228 and 242 writing pursuant to this notice provision. Such notice shall be deemed given upon personal delivery to the appropriate address or three days after the date of the General Corporation Law of the State of Delaware, as amended from time to time (the "DGCL"). mailing if sent by certified or registered mail.

4. 15. The Corporation's CertificateAdvice of Correction amended Counsel; Counterparts. In entering into this Agreement, the Parties recognize that this Agreement is a legally binding contract and acknowledge and agree that each party has had the opportunity to consult with legal counsel of its choice. This Agreement may be executed in one or more counterparts each of which will be deemed an original, but all references in of which together shall constitute one and the Amended and RestatedCertificate from "18 months" to "24 months" and was filed with the Secretary of State of the State ofDelaware on August 19, 2022.

5. The text of Section 9.1(b) of Article IX of the Amended and Restated Certificate is here by amended and restated to read in its entirety as follows: same instrument.

"Immediately after the Offering, a certain amount of the net offering proceeds received by the Corporation in the Offering (including the proceeds of any exercise of the underwriters' over-allotment option) and certain other amounts specified in the Corporation's registration statement on Form S-1, initially filed with the U.S. Securities and Exchange Commission (the "SEC") on January 21, 2021, as amended (the "Registration Statement"), shall be deposited in a trust account (the "Trust Account"), established for the benefit of the Public Stockholders (as defined below) pursuant to a trust agreement described in the Registration Statement. Except for the withdrawal of interest to pay taxes, none of the funds held in the Trust Account (including the interest earned on the funds held in the Trust Account) will be released from the Trust Account until the earliest to occur of (i) the completion of the initial Business Combination, (ii) the redemption of 100% of the Offering Shares (as defined below) if the Corporation is unable to complete its initial Business Combination within 30 months from the closing of the Offering and (iii) the redemption of shares in connection with a vote seeking to amend such provisions of this Second Amended and Restated Certificate as described in Section 9.7. Holders of shares of Common Stock included as part of the units sold in the Offering (the "Offering Shares") (whether such Offering Shares were purchased in the Offering or in the secondary market following the Offering and whether or not such holders are the Sponsor or officers or directors of the Corporation, or affiliates of any of the foregoing) are referred to herein as "Public Stockholders."

6. The text of Section 9.2(d) of Article IX of the Amended and Restated Certificate is here b yamended and restated to read in its entirety as follows:

"In the event that the Corporation has not consummated an initial Business Combination within 30 months from the closing of the Offering, the Corporation shall (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than ten business days thereafter subject to lawfully available funds therefor, redeem 100% of the Offering Shares in consideration of a per-share price, payable in cash, equal to the quotient obtained by dividing (A) the aggregate amount then on deposit in the Trust Account, including interest not previously released to the Corporation to pay its working capital requirements (subject to an annual limit of $500,000) (less taxes payable and up to $100,000 of interest to pay dissolution expenses), by (B) the total number of then outstanding Offering Shares, which redemption will completely extinguish rights of the Public Stockholders (including the right to receive further liquidating distributions, if any), subject to applicable law, and (iii) as promptly as reasonably possible following such redemption, subject to the approval of the remaining stockholders and the Board in accordance with applicable law, dissolve and liquidate,

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subject in each case to the Corporation's obligations under the DGCL to provide for claims of creditors and other requirements of applicable law."

7.The text of Section 9.7 of Article IX of the Amended and Restated Certificate is hereby amended and restated to read in its entirety as follows:

"Section 9.7. *Additional Redemption Rights*. If, in accordance with Section 9.1(a), any amendment is made to this Second Amended and Restated Certificate (a) to modify the substance or timing of the Corporation's obligation to redeem 100% of the Offering Shares if the Corporation has not consummated an initial Business Combination within 30 months from the date of the closing of the Offering or (b) with respect to any other material provisions of this Second Amended and Restated Certificate relating to stockholders' rights or pre-initial Business Combination activity, the Public Stockholders shall be provided with the opportunity to redeem their Offering Shares upon the approval of any such amendment, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, including interest not previously released to the Corporation to pay its taxes, divided by the number of then outstanding Offering Shares; *provided*, *however*, that any such amendment will be voided, and this Article IX will remain unchanged, if any stockholders who wish to redeem are unable to redeem due to the Redemption Limitation."

IN WITNESS WHEREOF, the Corporation has caused Parties hereto have executed this Certificate Agreement as of Amendment the Effective Date.

AEON BIOPHARMA, INC. CONSULTANT

By: /s/ Marc Forth By: /s/ Eric Carter
Name: Marc Forth Name: Eric Carter
Title: President & CEO

Exhibit 10.11

SCHEDULE A

SERVICES AND COMPENSATION

Services: Consultant shall serve as the Chairman of the Scientific Advisory Committee of the Company. In such capacity, Consultant shall provide the following services (the "Services") to the Second Amended Company:

- **Oversee the Company's strategy development in the field of botulinum toxins for therapeutic use.**
- **Engage with management and Restated Certificate third party consultant to build and refine the Company's clinical development programs.**
- **Engage with investment community, including investors, investment bankers, and attorneys, to address the Company's development strategy; provided that this engagement will be limited to Analyst Day, Testing the Waters, and IPO Road Show meetings.**
- **Assist in the recruitment and development the Chief Medical Officer.**
- **Other services and projects that the Company may reasonably request from time-to-time.**

Consideration: As full and complete compensation for performing the Services, the Company shall pay Consultant compensation that shall be agreed on a project-by-project basis. Consultant shall provide monthly invoices to the Company at the end of Incorporation each month. Invoices shall contain detailed summaries of the Services performed and the amount of time dedicated thereto. Invoices are due for payment within thirty (30) days following receipt of the invoices by the Company.

Projects: Consultant's projects and related consideration are set forth below.

1. General Advisory Services. Beginning on the Effective Date until the earlier of (a) Consultant's appointment to the Board of Directors of the Company or (b) termination of the Agreement pursuant to terms therein, the Company shall pay to Consultant an hourly fee of $700 per hour, with a per month maximum of 40 hours, unless mutually agreed in writing by the Company and Consultant.

2. Testing the Waters Meetings. In addition to the Monthly Fee, the Company may request that Consultant represent the Company during "testing the waters" meetings with potential investors in connection with the Company's capital raising activities. With recognition of the timing and intensity of these potential meetings, Company shall pay to Consultant a fee of $5,500 per day, with a project maximum of $20,000. For the avoidance of doubt, the Company shall pay or reimburse Consultant all direct, out of pocket cost associated with Consultant's participation in testing the waters meetings.

3. IPO Roadshow Meetings. In addition to the Monthly Fee, the Company may request that Consultant represent the Company during "IPO Roadshow" meetings with potential investors in connection with the Company's capital raising activities. With recognition of the timing and intensity of these potential meetings, Company shall pay to Consultant a fee of $5,500 per day, with a project maximum of $35,000. For the avoidance of doubt, the Company shall pay or reimburse Consultant all direct, out of pocket cost associated with Consultant's participation in the IPO roadshow meetings.

AFFILIATIONS

None

Exhibit 10.11

CONSULTING AGREEMENT

AMENDMENT

This Amendment ("Amendment") to the Consulting Agreement executed on January 30 2020 ("Consulting Agreement") made on an even date therewith ("Effective Date"), is by and between AEON Biopharma, Inc. ("Company"), and Dr. Eric Carter ("Consultant"). To the extent any terms of the Amendment conflict with the Consulting Agreement, the parties agree that the Amendment controls.

1. Assignment. Consistent with the obligations described in Section 9 of the Consulting Agreement, Consultant agrees to assign to the Company, by signing, executing, and/or acknowledging any and all documents, including the assignment attached hereto as Schedule A to be duly executed recorded with the United States Patent and Trademark Office ("Assignment"), all right, title, and interest in its name and to the following provisional patent application and the inventions described therein: the provisional patent application entitled Neurotoxin Compositions for Use in Treating Gastroparesis, U.S. Serial No. 62/897,520, filed: September 9, 2019 (the "Provisional"), any patent applications and patents filed or granted anywhere in the world that claim priority to the Provisional or that claim the inventions described therein.

2. Compensation. In consideration for the Assignment contemplated in Section 1 herein, the Company agrees that it will pay the following consideration to Consultant: (a) stock options with a then-present value equal to two hundred and fifty thousand dollars ($250,000) to be granted within 90 days of the conversion of the Provisional to a non-provisional filing and (b) stock options with a then-present value equal to two hundred and fifty thousand dollars ($250,000) to be granted within 90 days of the issuance in the United States of the first patent claiming priority to the Provisional. For clarity, subsequent patents with different sets of claims issuing as part of subsequent non-provisional patent applications claiming priority to the Provisional, or any continuation, divisional, continuation-in-part, reissue or reexamination thereof, are not subject to further stock option payments or other compensation. All values described in this Section 2 shall be calculated based on its behalf by an authorized officer the per share stock price of the Company as of February 10, 2023 the date of such grant. The stock option awards granted pursuant to this Section 2 shall be subject to the terms and conditions of the Company's stock plan, vesting ratably over a four year period. In addition, stock option awards granted pursuant to this Section 2 will include terms generally consistent with stock option awards granted to management, including a 10 year term and acceleration of vesting in certain change in control events.

3. Cooperation. Consistent with Consultant's obligations under the Consulting Agreement, if requested by Company at any time during or after the Term, Consultant shall cooperate with any activity involving the filing, prosecution, defense, maintenance or enforcement of, or disputes arising from, all intellectual property rights anywhere in the world involving all Work Product, as defined by the Consulting Agreement, including patents or patent applications claiming priority to the Provisional. Cooperation may include preparation of any necessary reports, the production of documents and things, or testimony by declaration, affidavit, deposition, or at trial.

This valid and binding Amendment has been executed as of the Effective Date in one or more counterparts, each of which shall be deemed an original and all of which taken together, shall constitute one and the same instrument.

COMPANY	**CONSULTANT**
AEON Biopharma, Inc.	**Dr. Eric Carter**
By: /s/ Marc Forth	**By: /s/ Eric Carter**
Name: Marc Forth	**Name: Dr. Eric Carter**
Title: President & Chief Executive Officer	

Exhibit 10.11

CONSULTING AGREEMENT

SECOND AMENDMENT

This Second Amendment ("Second Amendment") to that certain the Consulting Agreement executed on January 30, 2020 ("Consulting Agreement"), as amended on January 30, 2020 ("First Amendment") is entered into by and between AEON Biopharma, Inc. ("Company"), and Dr. Eric Carter ("Consultant") as of September 9, 2020 ("Effective Date").

WHEREAS, Company and Consultant previously entered into the Consulting Agreement and the First Amendment on January 30, 2020; and

WHEREAS, Company and Consultant desire to cancel the terms of the First Amendment and replace such terms with this Second Amendment; and

WHEREAS, to the extent any terms of this Second Amendment conflict with the Consulting Agreement, the parties agree that this Second Amendment shall control.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

/s/ Robert J. Palmisano

1. Cancellation of First Amendment. Company and Consultant acknowledge and agree that the terms of the First Amendment are hereby cancelled, and Consultant hereby remises and releases Company with respect to all Consultant's rights reflected in the First Amendment. Consultant acknowledges and agrees that the terms of this Second Amendment are in lieu of, and not addition to, any rights conferred to Consultant in the First Amendment.

2. Assignment. Consistent with the obligations described in Section 9 of the Consulting Agreement, Consultant agrees to assign to the Company, by signing, executing, and/or acknowledging any and all documents, including the assignment attached hereto as Schedule A to be recorded with the United

States Patent and Trademark Office ("**Assignment**"), all right, title, and interest in and to the following provisional patent application and the inventions described therein: the International Patent Application No. PCT/US2020/049959, claiming priority to provisional patent U.S. Serial Nos. 62/897,520 and 62/950,794 entitled Neurotoxin Compositions for Use in Treating Gastroparesis, filed: September 9, 2020 (the "**Patent**"), any patent applications and patents filed or granted anywhere in the world that claim priority to the Patent or that claim the inventions described therein.

3. Compensation. In consideration for the Assignment contemplated in Section 1 herein, the Company agrees that it will pay the following consideration to Consultant:

(a) ***Conversion of Patent to Non-Provisional.*** Company and Consultant acknowledge that the Patent was converted from provisional to non-provisional status on September 9, 2020 ("**Patent Conversion**"). Company agrees to pay to Consultant: (i) stock options with a then-present Black-Scholes value equal to seventy five thousand dollars ($75,000) to be granted within 90 days of the first anniversary of the Patent Conversion; and (ii) stock options with a then-present Black-Scholes value equal to seventy five thousand dollars ($75,000) to be granted within 90 days of the second anniversary of the Patent Conversion.

(b) ***Patent Issuance.*** Conditioned upon the issuance in the United States of the first patent claiming priority to the Patent ("**Patent Issuance**"), the Company will pay: (i) stock options with a then-present Black- Scholes value equal to seventy five thousand dollars ($75,000) to be granted within 90 days of the Patent Issuance; and (ii) stock options with a then-present Black-Scholes value equal to seventy five thousand dollars ($75,000) to be granted within 90 days of the first anniversary of the Patent Issuance. For clarity, subsequent patents with different sets of claims issuing as part of subsequent non-provisional patent applications claiming priority to the Patent, or any continuation, divisional, continuation-in-part, reissue or reexamination thereof, are not subject to further stock option payments or other compensation.

Robert J. Palmisano

Chief Executive Officer and Chairman

Exhibit 10.11

All values described in this Section 3 shall be calculated based on the per share stock price of the Company as of the date of such grant. The stock option awards granted pursuant to this Section 2 shall be subject to the terms and conditions of the Company's stock plan, vesting ratably over a two year period. In addition, stock option awards granted pursuant to this Section 2 will include terms generally consistent with stock option awards granted to management, including a 10 year term and acceleration of vesting in certain change in control events.

4. Cooperation. Consistent with Consultant's obligations under the Consulting Agreement, if requested by Company at any time during or after the Term, Consultant shall cooperate with any activity involving the filing, prosecution, defense, maintenance or enforcement of, or disputes arising from, all intellectual property rights anywhere in the world involving all Work Product, as defined by the Consulting Agreement, including patents or patent applications claiming priority to the Provisional. Cooperation may include preparation of any necessary reports, the production of documents and things, or testimony by declaration, affidavit, deposition, or at trial. This valid and binding Amendment has been executed as of the Effective Date in one or more counterparts, each of which shall be deemed an original and all of which taken together, shall constitute one and the same instrument.

COMPANY CONSULTANT

AEON Biopharma, Inc. Dr. Eric Carter

By: /s/ Marc Forth By: /s/ Eric Carter

Name: Marc Forth Name: Dr. Eric Carter

Title: President & Chief Executive Officer

Exhibit 31.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER PURSUANT TO PURSUANT TO RULE RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,

AS ADOPTED PURSUANT TO

SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert Palmisano, Marc Forth, certify that:

1. I have reviewed this annual report on Form 10-K of Priveterra Acquisition Corp. (the "Company") AEON Biopharma, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present, in all material respects, the financial condition, results of operations, and cash flows of the Company registrant as of, and for, the periods presented in this report;

4. The Company's registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a 15(e) 13a-15(e) and 15d 15(e) 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a 15(f) 13a-15(f) and 15d 15(f) 15d-15(f)) for the Company registrant and have:

   a. (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. (b) [Paragraph intentionally omitted Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with SEC Release Nos. 34-47986 and 34-54942];

   generally accepted accounting principles;

   c. (c) Evaluated the effectiveness of the Company's registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. (d) Disclosed in this report any change in the Company's registrant's internal control over financial reporting that occurred during the Company's registrant's most recent fiscal quarter (the Company's registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's registrant's internal control over financial reporting; and

5. The Company's registrant's other certifying officer officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's registrant's auditors and the audit committee of the Company's board registrant's Board of directors (or persons performing the equivalent functions):

   Directors:

a. (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's registrant's ability to record, process, summarize, and report financial information; and

b. (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's registrant's internal control over financial reporting.

Date: February 21, 2023 March 29, 2024

/s/ Marc Forth
Marc Forth
President, Chief Executive Officer

Chief Executive Officer and Chairman
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER PURSUANT TO PURSUANT TO RULE RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Oleg Grodnensky, Peter Reynolds, certify that:

1. I have reviewed this annual report on Form 10-K of Priveterra Acquisition Corp. (the "Company") AEON Biopharma, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present, in all material respects, the financial condition, results of operations, and cash flows of the Company registrant as of, and for, the periods presented in this report;

4. The Company's registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a 15(e) 13a-15(e) and 15d 15(e) 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a 15(f) 13a-15(f) and 15d 15(f) 15d-15(f)) for the Company registrant and have:

a. (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. (b) [Paragraph intentionally omitted Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with SEC Release Nos. 34-47986 and 34-54942];

generally accepted accounting principles;

c. (c) Evaluated the effectiveness of the Company's registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. (d) Disclosed in this report any change in the Company's registrant's internal control over financial reporting that occurred during the Company's registrant's most recent fiscal quarter (the Company's registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's registrant's internal control over financial reporting; and

5. The Company's registrant's other certifying officer officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's registrant's auditors and the audit committee of the Company's board registrant's Board of directors (or persons performing the equivalent functions):

Directors:

a. (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's registrant's ability to record, process, summarize, and report financial information; and

b. (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's registrant's internal control over financial reporting.

Date: February 21, 2023 March 29, 2024 /s/ Peter Reynolds

Peter Reynolds

Oleg Grodnensky

Chief Operating Officer and Chief Financial Officer

(Principal Financial Officer)

Exhibit 32.1 32.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER

PURSUANT TO 18 U.S.C. § 1350

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Priveterra Acquisition Corp. AEON Biopharma, Inc. (the "Company") on Form 10-K for the period ending December 31, 2023, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of filed with the Sarbanes-Oxley Act of 2002, Securities and Exchange Commission on the date hereof (the "Report"), the undersigned hereby certify that to my the best of our knowledge:

1. The Annual Report of the Company on Form 10-K for the fiscal year ended December 31, 2022 (the "Annual Report") fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 21, 2023 March 29, 2024 /s/ Marc Forth

Robert J. Palmisano Marc Forth

President, Chief Executive Officer and Chairman

(Principal Executive Officer)

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the U.S. Securities and Exchange Commission or its staff upon request.

Exhibit 32.2 32.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. § 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Priveterra Acquisition Corp. AEON Biopharma, Inc. (the "Company") on Form 10-K for the period ending December 31, 2023, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of filed with the Sarbanes-Oxley Act of 2002, Securities and Exchange Commission on the date hereof (the "Report"), the undersigned hereby certify that to my the best of our knowledge:

1. The Annual Report of the Company on Form 10-K for the fiscal year ended December 31, 2022 (the "Annual Report") fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

March 29, 2024

/s/ Oleg Grodnensky Peter Reynolds

Peter Reynolds
Chief Financial Officer
(Principal Financial Officer)

Exhibit 97

AEON BIOPHARMA, INC. POLICY FOR RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION

AEON Biopharma, Inc. (the "*Company*") has adopted this Policy for Recovery of Erroneously Awarded Compensation (the "*Policy*"), effective as of October 2, 2023 (the "*Effective Date*"). Capitalized terms used in this Policy but not otherwise defined herein are defined in Section 11.

1. Persons Subject to Policy

This certification accompanies Policy shall apply to current and former Officers of the Report Company. Each Officer shall be required to sign an Acknowledgment Agreement pursuant to which such Officer will agree to be bound by the terms of, and comply with, this Policy; however, any

Officer's failure to sign any such Acknowledgment Agreement shall not negate the application of this Policy to the Officer.

2. Compensation Subject to Policy

This Policy shall apply to Incentive-Based Compensation received on or after the Effective Date. For purposes of this Policy, the date on which Incentive-Based Compensation is "received" shall be determined under the Applicable Rules, which generally provide that Incentive-Based Compensation is "received" in the Company's fiscal period during which the relevant Financial Reporting Measure is attained or satisfied, without regard to whether the grant, vesting or payment of the Incentive-Based Compensation occurs after the end of that period.

3. Recovery of Compensation

In the event that the Company is required to prepare a Restatement, the Company shall recover, reasonably promptly, the portion of any Incentive-Based Compensation that is Erroneously Awarded Compensation, unless the Committee has determined that recovery would be Impracticable. Recovery shall be required in accordance with the preceding sentence regardless of whether the applicable Officer engaged in misconduct or otherwise caused or contributed to the requirement for the Restatement and regardless of whether or when restated financial statements are filed by the Company. For clarity, the recovery of Erroneously Awarded Compensation under this Policy will not give rise to any person's right to voluntarily terminate employment for "good reason," or due to a "constructive termination" (or any similar term of like effect) under any plan, program or policy of or agreement with the Company or any of its affiliates.

4. Manner of Recovery; Limitation on Duplicative Recovery

The Committee shall,inits solediscretion, determine themannerof recovery ofany Erroneously Awarded Compensation, which may include, without limitation, reduction or cancellation by the Company or an affiliate of the Company of Incentive-Based Compensation, Erroneously Awarded Compensation or time-vesting equity awards, reimbursement or repayment by any person subject to this Policy of the Erroneously Awarded Compensation, and, to the extent permitted by law, an offset of the Erroneously Awarded Compensation against other compensation payable by the Company or an affiliate of the Company to such person. Notwithstanding the foregoing, unless otherwise prohibited by the Applicable Rules, to the extent this Policy provides for recovery of Erroneously Awarded Compensation already recovered by the Company pursuant to Section 906304 of the Sarbanes-Oxley Act of 2002 or Other Recovery Arrangements, the amount of Erroneously Awarded

Exhibit 97

Compensation already recovered by the Company from the recipient of such Erroneously Awarded Compensationmay be credited to the amount of Erroneously Awarded Compensation required to be recovered pursuant to this Policy from such person.

5. Administration

This Policy shall be administered, interpreted and construed by the Committee, which is authorized to make all determinations necessary, appropriate or advisable for such purpose. The Board of Directors of the Company (the "*Board*") may re-vest in itself the authority to administer, interpret and construe this Policy in accordance with applicable law, and in such event references herein to the "Committee" shall not, except be deemed to be references to the Board. Subject to any permitted review by the applicable national securities exchange or association pursuant to the Applicable Rules, all determinations and decisions made by the Committee pursuant to the provisions of this Policy shall be final, conclusive and binding on all persons, including the Company and its affiliates, equityholders and employees. The Committee may delegate administrative duties with respect to this Policy to one or more directors or employees of the Company, as permitted under applicable law, including any Applicable Rules.

6. Interpretation

This Policy will be interpreted and applied in a manner that is consistent with the requirements of the Applicable Rules, and to the extent this Policy is inconsistent with such Applicable Rules, it shall be deemed amended to the minimum extent necessary to ensure compliance therewith.

7. No Indemnification; No Liability

The Company shall not indemnify or insure any person against the loss of any Erroneously Awarded Compensation pursuant to this Policy, nor shall the Company directly or indirectly pay or reimburse any person for any premiums for third-party insurance policies that such person may elect to purchase to fund such person's potential obligations under this Policy. None of the Company, an affiliate of the Company or any member of the Committee or the Board shall have any liability to any person as a result of actions taken under this Policy.

8. Application; Enforceability

Except as otherwise determined by the Committee or the Board, theadoptionofthisPolicy doesnot limit,andisintendedtoapply in addition to,any other clawback, recoupment,forfeitureor similar policies or provisions of the Company or its affiliates, including any such policies or provisions of such effect contained inanyemployment agreement, bonus plan, incentive plan, equity-based plan or award agreement thereunder or similar plan, program or agreement of the Company or an affiliate or required under applicable law (the "*Other Recovery Arrangements*"). TheremedyspecifiedinthisPolicyshallnotbeexclusiveandshallbeinadditiontoeveryotherrightorremedyat laworinequitythatmaybeavailabletothe Company or an affiliate of the Company.

9. Severability

The provisions in this Policy are intended to be applied to the fullest extent of the law; provided, however, to the extent that any provision of this Policy is found to be unenforceable or invalid under

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any applicable law, such provision will be applied to the maximum extent permitted, and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law.

10. Amendment and Termination

The Board or the Committee may amend, modify or terminate this Policy in whole or in part at any time and from time to time in its sole discretion. This Policy will terminate automatically when the Company does not have a class of securities listed on a national securities exchange or association.

11. Definitions

"***Applicable Rules***" means Section 10D of the Exchange Act, Rule 10D-1 promulgated thereunder, the listing rules of the national securities exchange or association on which the Company's securities are listed, and any applicable rules, standards or other guidance adopted by the Securities and Exchange Commission or any national securities exchange or association on which the Company's securities are listed.

"***Committee***" means the committee of the Board responsible for executive compensation decisions comprised solely of independent directors (as determined under the Applicable Rules), or in the absence of such a committee, a majority of the independent directors serving on the Board.

"***Erroneously Awarded Compensation***" means the amount of Incentive-Based Compensation received by a current or former Officer that exceeds the amount of Incentive-Based Compensation that would have been received by such Act, be deemed filed by current or former Officer based on a restated Financial Reporting Measure, as determined on a pre-tax basis in accordance with the Company for purposes of Section 18 of Applicable Rules.

"***Exchange Act***" means the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such certification will not be deemed amended.

"***Financial Reporting Measure***" means any measure determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures derived wholly or in part from such measures, including GAAP, IFRS and non-GAAP/IFRS

financial measures, as well as stock or share price and total equityholder return.

"*GAAP*" means United States generally accepted accounting principles.

"*IFRS*" means international financial reporting standards as adopted by the International Accounting Standards Board.

"*Impracticable*" means (a) the direct costs paid to be incorporated by reference into any filing under third parties to assist in enforcing recovery would exceed the Securities Act of 1933, as amended, Erroneously Awarded Compensation; provided that the Company has (i) made reasonable attempts to recover the Erroneously Awarded Compensation, (ii) documented such attempt(s), and (iii) provided such documentation to the relevant listing exchange or the Exchange Act, except association, (b) to the extent permitted by the Applicable Rules, the recovery would violate the Company's home country laws pursuant to an opinion of home country counsel; provided that the Company specifically incorporates it by reference.

A signed original has (i) obtained an opinion of this written statement required by Section 906 has been provided home country counsel, acceptable to the Company relevant listing exchange or association, that recovery would result in such violation, and will be retained by (ii) provided such opinion to the relevant listing exchange or association, or (c) recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and furnished the regulations thereunder.

Exhibit 97

"*Incentive-Based Compensation*" means, with respect to a Restatement, any compensation that is granted, earned, or vested based wholly or in part upon the attainment of one or more Financial Reporting Measures and received by a person: (a) after beginning service as an Officer; (b) who served as an Officer at any time during the performance period for that compensation; (c) while the Company has a class of securities listed on a national securities exchange or association; and (d) during the applicable Three-Year Period.

"*Officer*" means each person who serves as an executive officer of the Company, as defined in Rule 10D-1(d) under the Exchange Act.

"*Restatement*" means an accounting restatement to correct the Company's material noncompliance with any financial reporting

requirement under securities laws, including restatements that correct an error in previously issued financial statements (a) that is material to the U.S. Securities previously issued financial statements or (b) that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

"*Three-Year Period*" means, with respect to a Restatement, the three completed fiscal years immediately preceding the date that the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare such Restatement, or, if earlier, the date on which a court, regulator or other legally authorized body directs the Company to prepare such Restatement. The "Three-Year Period" also includes any transition period (that results from a change in the Company's fiscal year) within or immediately following the three completed fiscal years identified in the preceding sentence. However, a transition period between the last day of the Company's previous fiscal year end and Exchange Commission or the first day of its staff upon request. new fiscal year that comprises a period of nine to 12 months shall be deemed a completed fiscal year.

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